

SERFF Tracking Number: NALF-125765896 State: Arkansas  
Filing Company: Life Insurance Company of the Southwest State Tracking Number: 40019  
Company Tracking Number: 8640AR(0708)  
TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.001 Single Life  
Adjustable Life  
Product Name: Foundation UL  
Project Name/Number: Foundation UL/8640AR(0708)

## Filing at a Glance

Company: Life Insurance Company of the Southwest

Product Name: Foundation UL

SERFF Tr Num: NALF-125765896 State: ArkansasLH

TOI: L09I Individual Life - Flexible Premium

SERFF Status: Closed

State Tr Num: 40019

Adjustable Life

Sub-TOI: L09I.001 Single Life

Co Tr Num: 8640AR(0708)

State Status: Approved-Closed

Filing Type: Form

Co Status:

Reviewer(s): Linda Bird

Authors: Susan Carey, Michelle  
Goodwin

Disposition Date: 08/25/2008

Date Submitted: 08/20/2008

Disposition Status: Approved

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name: Foundation UL

Status of Filing in Domicile: Pending

Project Number: 8640AR(0708)

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact:

Group Market Type:

Filing Status Changed: 08/25/2008

State Status Changed: 08/25/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Today we submit for your consideration a new Flexible Premium Adjustable Benefit Life Insurance policy.

## Company and Contact

### Filing Contact Information

SERFF Tracking Number: NALF-125765896 State: Arkansas  
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Michelle Goodwin, Policy Forms Analyst MGoodwin@Nationallife.com  
One National Life Drive (802) 229-7441 [Phone]  
Montpelier, VT 05604 (802) 229-3743[FAX]

**Filing Company Information**

Life Insurance Company of the Southwest CoCode: 65528 State of Domicile: Texas  
1300 West Mockingbird Lane Group Code: -99 Company Type:  
Dallas, TX 75247 Group Name: State ID Number: 1117  
(214) 638-9316 ext. [Phone] FEIN Number: 75-0953004  
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## Filing Fees

Fee Required? Yes  
Fee Amount: \$100.00  
Retaliatory? Yes  
Fee Explanation: Texas is domicile state and charge \$100  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Life Insurance Company of the Southwest	\$100.00	08/20/2008	22030494

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Linda Bird	08/25/2008	08/25/2008

*SERFF Tracking Number:* NALF-125765896      *State:* Arkansas  
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Adjustable Life  
*Product Name:* Foundation UL  
*Project Name/Number:* Foundation UL/8640AR(0708)

## **Disposition**

Disposition Date: 08/25/2008

Implementation Date:

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: NALF-125765896 State: Arkansas  
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Certification/Notice		Yes
Supporting Document	Application		Yes
Supporting Document	Health - Actuarial Justification		No
Supporting Document	Outline of Coverage		No
Supporting Document	Actuarial Memorandum		No
Supporting Document	Third Party Authorization		Yes
Supporting Document	Responsible Officer Certification		Yes
Supporting Document	John Doe Illustration		Yes
Supporting Document	Cover Letter		Yes
Supporting Document	Actuary Illustration		No
Supporting Document	John Doe Annual Statement		Yes
Supporting Document	Statement of Variability		Yes
Form	Flexible Premium Adjustable Benefit Life Insurance		Yes

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## Form Schedule

Lead Form Number: 8640AR(0708)

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	8640AR(0708)	Policy/Cont	Flexible Premium ract/Fratern Adjustable Benefit al Life Insurance Certificate	Initial		55	8640AR Policy.pdf

**LIMITATIONS AND EXCLUSIONS UNDER THE  
ARKANSAS LIFE AND HEALTH INSURANCE  
GUARANTY ASSOCIATION ACT**

Residents of this state who purchase life insurance, annuities or health and accident insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Arkansas Life and Health Insurance Guaranty Association. ("Guaranty Association"). The purpose of the Guaranty Association is to assure that policy and contract holders will be protected, within certain limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of policyowners who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by the member insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

**DISCLAIMER**

**The Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association") may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions and require continued residency in the state. You should not rely on coverage by the Guaranty Association in purchasing an insurance policy or contract.**

**Coverage is NOT provided for your policy or contract or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.**

**Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.**

**The Arkansas Life and Health Insurance Guaranty Association  
c/o the Liquidation Division  
1023 West Capital  
Little Rock, Arkansas 72201**

**Arkansas Insurance Department  
1200 West Third Street  
Little Rock, Arkansas 72201-1904**

The state law that provides for this safety-net is called the Arkansas Life and Health Insurance Guaranty Association Act. ("Act"). On the next page is a brief summary of this Act's coverages, exclusions and limits. This summary does not cover all provisions of the act; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

## COVERAGE

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life, annuity or health insurance contract or policy or if they are insured under a group insurance contract issued by a member insurer. The beneficiaries, payees or assignees of policy or contract owners are protected as well, even if they live in another state.

## EXCLUSIONS FROM COVERAGE

However, persons holding such policies are **NOT** protected by the Guaranty Association if:

- they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- the insurer was not authorized to do business in this state;
- their policy was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments, or by an insurance exchange.

The Guaranty Association also does **NOT** provide coverage for:

- any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed an average rate;
- dividends and voting rights and experience rating credits;
- credits given in connection with the administration of a policy by a group contract holder;
- employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- unallocated annuity contracts (which give rights to group contract holders, not individuals);
- unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC") (whether the FPBC is yet liable or not);
- portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

## LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover. The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or cash surrender values - again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a \$1,000,000 limit with respect to any contract holder for unallocated annuity benefits, irrespective of the number of contracts held by the contract holder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which these benefits could be provided out of the assets of the impaired or insolvent insurer.

We, Life Insurance Company of the Southwest, agree to pay the Death Benefit to the Beneficiary, subject to the terms of this policy, when we receive at our Administrative Office due proof that the Insured died while this policy was in force.

**Flexible Premium Adjustable Benefit Life Insurance.** Flexible premiums are payable through the end of the Premium Payment Period or until the prior death of the Insured. The adjustable Death Benefit is payable upon the death of the Insured. This policy is nonparticipating.

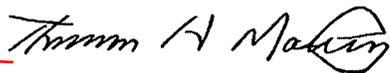
**Right to Review Policy.** This policy, at any time within ten days after its receipt by the Owner, may be returned in person or by mail to us or to the agent through whom it was bought. Upon such return, the policy will be deemed void as of its Effective Date. We will then refund any premium paid.

Effective Date:	12/01/2008
Policy Number:	LS6000003
Face Amount:	\$100,000
Insured:	Ethan Allen
Issue Age:	35
Owner:	Peter Allen
Beneficiary:	As stated in the application unless later changed

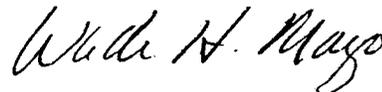
The data and the terms on this and all following pages are part of this policy.

This policy is a legal contract between the policy Owner and Life Insurance Company of the Southwest. **READ YOUR POLICY CAREFULLY.**

Signed for Life Insurance Company of the Southwest at Dallas, Texas, as of the Effective Date, by



Chairman of the Board



President



Secretary



**LIFE INSURANCE COMPANY OF THE SOUTHWEST**

**ADMINISTRATIVE OFFICE MAILING ADDRESS:**

LIFE INSURANCE COMPANY OF THE SOUTHWEST, ONE NATIONAL LIFE DRIVE, MONTPELIER, VT 05604  
CUSTOMER SERVICE: 800-732-8939

**HOME OFFICE ADDRESS:**

LIFE INSURANCE COMPANY OF THE SOUTHWEST, 1300 WEST MOCKINGBIRD LANE, DALLAS, TX 75247  
LSW IS A STOCK COMPANY.

8640AR(0708)

(who code/agency #)

DATA SECTION

POLICY NUMBER: [LS7000000]  
DATE OF ISSUE: [AUGUST 15, 2008]  
  
INSURED: [ETHAN ALLEN]  
ISSUE AGE: [35]  
SEX: [MALE]  
RATE CLASS: [STANDARD (VERIFIED)]  
FACE AMOUNT: [\$100,000]

DEATH BENEFIT OPTION: [A (LEVEL)]

MONTHLY POLICY DATE: [15<sup>TH</sup>]

MINIMUM FACE AMOUNT: \$25,000

OWNER: [AS STATED IN THE APPLICATION UNLESS LATER CHANGED]  
BENEFICIARY: [AS STATED IN THE APPLICATION UNLESS LATER CHANGED]

MINIMUM MONTHLY PREMIUM: [\$19.66]  
PLANNED PERIODIC PREMIUM: [\$235.92] PAYABLE [ ANNUALLY]  
ANNUAL TARGET PREMIUM: [\$617.00]  
FINAL PREMIUM ACCEPTANCE DATE: [AUGUST 15, 2073]

THIS POLICY MAY TERMINATE PRIOR TO THE FINAL PREMIUM ACCEPTANCE DATE IF PREMIUMS PAID ARE INSUFFICIENT TO CONTINUE COVERAGE TO THAT DATE.

THE STANDARD LOAN INTEREST RATE IS VARIABLE. THE STANDARD LOAN INTEREST RATE ON THE DATE OF ISSUE IS [6.20%].

ADDITIONAL RIDERS

FNDN [LS700000]

DATA SECTION  
COVER PAGE

DATA SECTION

FACE AMOUNT: [\$100,000]  
 EFFECTIVE DATE: [AUGUST 15, 2008]

MORTALITY TABLE: COMMISSIONERS 2001 CSO ULTIMATE, [MALE NON-SMOKER]  
 AGE LAST BIRTHDAY

THE INSURED HAS BEEN CLASSIFIED AS [STANDARD (VERIFIED)].

TABLE OF MONTHLY GUARANTEED MAXIMUM COST OF INSURANCE RATES  
 (PER \$1,000 OF NET AMOUNT AT RISK)

<u>ATTAINED</u> <u>AGE</u>	<u>RATE</u>	<u>ATTAINED</u> <u>AGE</u>	<u>RATE</u>	<u>ATTAINED</u> <u>AGE</u>	<u>RATE</u>
[35	0.09	57	0.59	79	5.38
36	0.10	58	0.65	80	6.01
37	0.10	59	0.71	81	6.70
38	0.11	60	0.79	82	7.42
39	0.12	61	0.88	83	8.22
40	0.13	62	0.99	84	9.10
41	0.14	63	1.10	85	10.09
42	0.15	64	1.23	86	11.17
43	0.17	65	1.35	87	12.35
44	0.18	66	1.48	88	13.60
45	0.20	67	1.62	89	14.92
46	0.22	68	1.76	90	16.24
47	0.24	69	1.92	91	17.54
48	0.25	70	2.11	92	18.90
49	0.27	71	2.34	93	20.35
50	0.29	72	2.60	94	21.87
51	0.31	73	2.88	95	23.39
52	0.35	74	3.19	96	24.87
53	0.38	75	3.52	97	26.45
54	0.43	76	3.89	98	28.15
55	0.49	77	4.32	OVER 98	29.96]
56	0.54	78	4.82		

DATA SECTION

FACE AMOUNT: [\$100,000]  
EFFECTIVE DATE: [AUGUST 15, 2008]

PERCENT OF PREMIUM EXPENSE CHARGE: 7.50%

GUARANTEED MAXIMUM MONTHLY ADMINISTRATIVE CHARGE\*

PER POLICY \$6.15 IN ALL YEARS

SURRENDER CHARGES

SURRENDER CHARGE ON EFFECTIVE DATE: [\$2,123.0]

SURRENDER CHARGE ON:

[AUG. 14, 2009	\$2,123.00
AUG. 14, 2010	\$2,123.00
AUG. 14, 2011	\$2,123.00
AUG. 14, 2012	\$2,123.00
AUG. 14, 2013	\$2,123.00
AUG. 14, 2014	\$1,910.00
AUG. 14, 2015	\$1,698.00
AUG. 14, 2016	\$1,486.00
AUG. 14, 2017	\$1,273.00
AUG. 14, 2018	\$1,061.00
AUG. 14, 2019	\$849.00
AUG. 14, 2020	\$636.00
AUG. 14, 2021	\$424.00
AUG. 14, 2022	\$212.00
AUG. 14, 2023 AND LATER	\$0.00]

\*MONTHLY ADMINISTRATIVE CHARGES ARE APPLICABLE ONLY UNTIL THE INSURED'S ATTAINED AGE 100.

# INDEX

SECTION	PAGE	SECTION	PAGE
<b>GENERAL TERMS OF THIS POLICY</b>		<b>POLICY VALUES</b>	
Consideration	1	Accumulated Value	12
Entire Contract	1	Interest Rates Credited to the Accumulated Value	13
Effective Dates	1	Monthly Deduction	13
Policy Months, Years and Anniversaries	2	Cost of Insurance	13
Payment of Benefits	2	Cash Surrender	14
Notices	2	<b>WITHDRAWALS</b>	
Misstatement of Age or Sex	2	Withdrawals	15
Attained Age	2	<b>POLICY LOANS</b>	
Basis of Values	3	Policy Loans	16
Non- participating	3	Loan Value	16
<b>REPRESENTATIONS AND INCONTESTABILITY</b>		Preferred Loans	16
Representations	3	Standard Loans	17
Incontestability	3	General Loan Terms	18
<b>PREMIUMS</b>		<b>REPORTS</b>	
Payment of Premiums	4	Annual Statement	18
Policy Protection Period	4	Projection Report	19
Grace Period	5	<b>PAYMENT OPTIONS</b>	
Reinstatement	6	Option Effective Date	19
<b>DEATH BENEFIT AND POLICY CHANGES</b>		General Payment Option Terms	19
Death Benefit Options	7	Choice of Option	20
Option A (Level)	7	Change of Payment Option	20
Option B (Increasing)	7	Lump Sum Removal of Proceeds Applied Under a Payment Option	20
Death Benefit Standard	8	Option 1 -Payment of Interest Only	21
Changes in Face Amount and Death Benefit Option	8	Option 2 -Payments for a Stated Time	21
Death Benefit	9	Option 3 -Payments for Life	22
Suicide Limitation	10	Option 4 -Payments of a Stated Amount	24
<b>POLICY OWNERSHIP</b>		Option 5 - Life Annuity	24
General Ownership Terms	10	Option 6 - Joint and Two-Thirds Annuity	24
Assignments	10	Option 7 - 50% Survivor Annuity	25
<b>BENEFICIARY</b>		Any riders and Endorsements and a copy of the application, follow page 26	
General Beneficiary Terms	11		
Trust Beneficiary	11		
Change of Beneficiary	12		

# GENERAL TERMS OF THIS POLICY

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## CONSIDERATION

This policy is issued in consideration of the application and the payment of the first premium. We will incur no liability if no premium is paid.

## ENTIRE CONTRACT

On the Date of Issue, the entire contract between the parties consists of this policy, the attached copy of the application, and any attached riders, amendments, and endorsements. Any change to this contract must be written and be made only by one of our authorized officers or registrars. We will send the Owner a copy of any application for a change that we approve. It and any additional Data Section pages become part of this contract on the effective date of such change.

You and your, when used in this contract, refers to the Owner of the policy. We, our, or us, when used in this contract, refers to the Company indicated on the cover of this policy.

## EFFECTIVE DATES

The Face Amount on the Date of Issue shall become effective on the Date of Issue shown in the Data Section.

Any increase in Face Amount for which an application is required shall become effective on the next Monthly Policy Date following the date we approve the application for such increase in Face Amount.

Any increase in Face Amount for which an application is not required shall become effective on the next Monthly Policy Date following the date we receive the request for such increase unless otherwise provided by the policy.

Any decrease in Face Amount requested shall become effective on the next Monthly Policy Date following the date we receive the request for such decrease.

Any reinstatement of this policy shall become effective on the next Monthly Policy Date following the date we approve the application for Reinstatement.

Any change of Death Benefit Option shall become effective on the next Monthly Policy Date following the date we receive the request for such change.

*Life Insurance Company of the Southwest*  
*Administrative Office: One National Life Drive \* Montpelier, Vermont 05604 \* (800) 732-8939*  
*Home Office: 1300 West Mockingbird Lane \* Dallas, Texas 75247*

POLICY MONTHS,  
YEARS AND  
ANNIVERSARIES

Policy months, years and anniversaries shall be measured from the Date of Issue. The Monthly Policy Date shown in the Data Section occurs on the same day each month or on the last day of any month having no such date. The Date of Issue is the first Monthly Policy Date.

PAYMENT OF  
BENEFITS

We will pay all benefits under this policy at our Administrative Office. Before payment of any Death Benefit we may investigate the death.

NOTICES

Unless this policy provides otherwise, any requests for changes or notices:

1. from us to the Owner shall be sent to the last address known to us of the Owner; and
2. from us to an assignee shall be sent to the last address known to us of such assignee; and
3. from the Owner or an assignee to us must be in writing and received by us at our Administrative Office.

MISSTATEMENT OF  
AGE OR SEX

The Issue Age shown in the Data Section is the age of the Insured on the Insured's last birthday as of the Date of Issue. It is based on the information shown in the application. If the age or sex of the Insured has been misstated, we will adjust the Accumulated Value to be the amount it would have been had all Monthly Deductions been based on the correct age and sex of the Insured. The adjustment shall take effect on the next Monthly Policy Date following the date when we have proof to our satisfaction of such misstatement. If the Insured has died, we will adjust the Accumulated Value as of the last Monthly Policy Date prior to the Insured's death; however, if the Accumulated Value is insufficient, we will adjust the Death Benefit.

ATTAINED AGE

The Attained Age of the Insured on any date is the Issue Age shown in the Data Section plus the number of policy years that have passed since the Date of Issue.

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## BASIS OF VALUES

The guaranteed values for this policy are equal to or greater than those required by the law of the state where this policy is delivered. The guaranteed values are based on the Guaranteed Interest Rate of 0.32738% compounded monthly, which is equivalent to 4.00% compounded per year. The mortality table used to calculate the guaranteed values is shown in the Data Section.

## NON- PARTICIPATING

This policy is nonparticipating and is therefore not entitled to share in any profits or surplus of the Company.

## REPRESENTATIONS AND INCONTESTABILITY

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### REPRESENTATIONS

Any statement made by or for the Insured shall be deemed a representation and not a warranty. Unless such statement is in the attached application or in any subsequent application, it shall not be used to:

1. make this policy void; or
2. make any increase in Face Amount void; or
3. make any Reinstatement void; or
4. defend any claim.

### INCONTESTABILITY

After this policy has been in force during the life of the Insured for two years from the policy Date of Issue, we will not contest it; however,

1. we may contest any increase in Face Amount for which an application is required, until such increase has been in force during the life of the insured for two years from its Effective Date; and
2. we may contest any Reinstatement until such Reinstatement has been in force during the life of the Insured for two years from its Effective Date.

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# PREMIUMS

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## PAYMENT OF PREMIUMS

The first premium payment is due on the Date of Issue. This first premium payment cannot be less than the Minimum Monthly Premium shown in the Data Section.

The first premium may be paid to us either through our duly authorized agent in exchange for a receipt signed by that agent or at our Administrative Office. All other premiums must be paid to us at our Administrative Office.

The Minimum Monthly Premium is shown in the Data Section. This amount may change based on changes in the Face Amount, addition of riders, and other changes in the coverage under the policy.

A Net Premium is the amount determined by first multiplying any premium paid by 1 minus the Percent of the Premium Expense Charge shown in the Data Section.

The Planned Periodic Premiums are the premiums the Applicant has chosen to pay. Planned Periodic Premiums may be annual, semi-annual, quarterly, or monthly. The Owner may change the amount or frequency of Planned Periodic Premiums at any time by sending a written notice to us at our Administrative Office. However, we may limit any increase in either amount or frequency.

In addition, we will accept Unscheduled Premiums, which are premiums in addition to the first, Minimum Monthly, or Planned Periodic Premiums. We may limit the number and amount of such premiums.

All premiums are subject to a maximum. We reserve the right to limit the minimum premium amount that we will accept.

The maximum premium is the limit imposed by the Internal Revenue Code for qualifying the policy as "Life Insurance" for Federal Income Tax purposes, or such lower amount as we may set. We will not accept any premium in excess of the maximum. We will return any premiums not accepted and any interest credited to such premiums to the Owner within 60 days after the end of the Policy Year.

## POLICY PROTECTION PERIOD

The Policy Protection Period is the first 180 policy months following the Date of Issue.

*Life Insurance Company of the Southwest*

*Administrative Office: One National Life Drive \* Montpelier, Vermont 05604 \* (800) 732-8939*

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## GRACE PERIOD

If on any Monthly Policy Date the Cash Surrender Value is less than the Monthly Deduction on such date, a Grace Period shall start, unless:

1. the policy is within the Policy Protection Period; and
2. the Accumulated Value less any debt to us on this policy is greater than the Monthly Deduction on that date; and
3. the cumulative premiums paid since the policy's Date of Issue, less any Withdrawal, less any debt to us on this policy, are greater than or equal to the cumulative Minimum Monthly Premiums due since the policy's Date of Issue.

A Grace Period shall be 61 days. During a Grace Period this policy shall remain in force.

The premium needed to keep the policy in force beyond a Grace Period which ends during the Policy Protection Period shall equal the greater of the following quantities:

1. the sum of the Minimum Monthly Premiums in effect on the policy over all of the months from the Date of Issue to the start of the Grace Period; plus
2. all withdrawals; plus
3. two times the Minimum Monthly Premium in effect at the beginning of the Grace Period; plus
4. any debt to us on this policy; less
5. all premiums paid.

OR

1. The premium, which will be sufficient to produce an Accumulated Value, net of policy debt, equal to two times the monthly deduction due on the date the Grace Period began.

The premium needed to keep the policy in force beyond a Grace Period which ends after the Policy Protection Period shall be the premium sufficient to produce an Accumulated Value, net of any debt to us on this policy, equal to three times the monthly deduction due on the date that the Grace Period began.

We will mail notice of the premium needed to the Owner. If such premium needed is unpaid on the later of:

1. the last day of the Grace Period; or
2. the 31<sup>st</sup> day after such notice is sent;

then this policy shall terminate without value and it shall be null and void and all rights shall cease.

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A Grace Period will not begin solely because payments of Planned Periodic Premiums are discontinued. Whether or not premiums are paid, Monthly Deductions will be made from the Accumulated Value. The Accumulated Value will be determined as set forth under the Accumulated Value provision in the Policy Values section of this policy, except that no interest will be credited during a Grace Period. The terms of this Grace Period provision will determine if and when a Grace Period starts.

## REINSTATEMENT

If this policy terminates after the end of a Grace Period, it may be reinstated. It must be reinstated on a Monthly Policy Date within five years from the start of such Grace Period and prior to the Final Premium Acceptance Date.

For Reinstatement we will require:

1. an application for Reinstatement; and
2. proof to our satisfaction that the Insured is insurable; and
3. payment of an amount determined as follows:
  - a) If Reinstatement occurs during a Policy Protection Period, the required payment shall be an amount equal to the premium which will be sufficient to produce an Accumulated Value, net of policy debt, two times the monthly deduction due on the date the Grace Period began, or, if greater:
    - i. the sum of the Minimum Monthly Premiums in effect on the policy over all of the months from the Date of Issue to the start of the Grace Period; plus
    - ii. all withdrawals; plus
    - iii. two times the Minimum Monthly Premium shown in the data section; plus
    - iv. any debt to us on this policy; less
    - v. all premiums paid.
  - b) If Reinstatement occurs after the Policy Protection Period, the required payment shall be a premium which will make the Cash Surrender Value sufficient to provide:
    - i. two times the Monthly Deduction due on the date the Grace Period began; plus
    - ii. three times the Monthly Deduction due on the date of Reinstatement.

We will send the Owner notice of the required payment upon request.

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In the event of Reinstatement:

1. the Surrender Charge in effect on the Monthly Policy Date on which the Grace Period began shall become the Surrender Charge on the Monthly Policy Date of Reinstatement; and
2. the schedule of Surrender Charges for the policy months following the date the Grace Period began shall become the schedule of Surrender Charges for the Policy Months following the date of Reinstatement.

## DEATH BENEFIT AND POLICY CHANGES

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### DEATH BENEFIT OPTIONS

The Owner may elect either of two Death Benefit Options, Option A or Option B, for the period prior to the Insured's attained age 100. The Death Benefit Option is stated in the Data Section.

#### OPTION A (LEVEL)

Under Option A the Death Benefit shall be the greater of the following or the Death Benefit Standard:

1. the Face Amount on the date of the Insured's death; less
2. the amount of any Monthly Deductions then due; less
3. any debt to us on this policy.

The Face Amount is considered to include the Accumulated Value of the policy under Option A.

#### OPTION B (INCREASING)

Under Option B the Death Benefit shall be the greater of the following or the Death Benefit Standard:

1. the Face Amount on the date of the Insured's death; plus
2. the Accumulated Value of the policy on the date of the Insured's death; less
3. the amount of any Monthly Deductions then due; less
4. any debt to us on this Policy.

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DEATH BENEFIT  
STANDARD

The Death Benefit Standard is established in conformance with Section 7702 of the Internal Revenue Code, which defines "Life Insurance" for Federal Tax purposes. This policy's Death Benefit will never be less than the Death Benefit Standard defined below. The Death Benefit Standard is:

1. the Death Benefit Factor multiplied by the Accumulated Value of the policy on the date of the Insured's death; less
2. the amount of any Monthly Deductions then due; less
3. any debt to us on this policy.

The Death Benefit Factor depends on the Insured's Attained Age at the start of the Policy Year as follows:

Attained Age	Death Benefit Factor	Attained Age	Death Benefit Factor	Attained Age	Death Benefit Factor
0 - 40	2.50	53	1.64	66	1.19
41	2.43	54	1.57	67	1.18
42	2.36	55	1.50	68	1.17
43	2.29	56	1.46	69	1.16
44	2.22	57	1.42	70	1.15
45	2.15	58	1.38	71	1.13
46	2.09	59	1.34	72	1.11
47	2.03	60	1.30	73	1.09
48	1.97	61	1.28	74	1.07
49	1.91	62	1.26	75 - 90	1.05
50	1.85	63	1.24	91	1.04
51	1.78	64	1.22	92	1.03
52	1.71	65	1.20	93	1.02
				94+	1.01

CHANGES IN FACE  
AMOUNT AND  
DEATH BENEFIT  
OPTION

The Owner may request any of the following changes. We will make a change subject to the conditions stated. These changes may be made only while the Insured is living and after the first policy anniversary. We will send the Owner a revised or additional Data Section if any of these changes is made.

Face Amount Increases. We will require an application from the Owner and proof to our satisfaction that the Insured is then insurable. An increase in Face Amount, and an associated redetermination of the Minimum Monthly Premium, shall be effective upon the Monthly Policy Date on or next following our approval.

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Face Amount Decreases. We will require a written request from the Owner. A decrease in Face Amount shall be effective upon the Monthly Policy Date on or next following our receipt of the request.

1. Decreases shall not be permitted which would reduce the sum of the Face Amount to less than any of the following:
  - a) the minimum insurance amount for which the policy would qualify as "Life Insurance" for Federal Income Tax purposes under the Internal Revenue Code; or
  - b) the Minimum Coverage Amount shown in the Data Section; or
  - c) 75% of the largest Face Amount in the twelve months prior to our receipt of the request.
2. A decrease in Face Amount shall apply in the following order:
  - a) first, to any increases in Face Amount, in the reverse order in which they were made;
  - b) second, to the Face Amount on the Date of Issue.

Death Benefit Option Changes. The Death Benefit Option may be changed once each policy year prior to the Insured's Attained Age 100. We will require a written request from the Owner. A change will be effective on any Monthly Policy Date requested. The change may be made only if after such change the policy would qualify as "Life Insurance" for Federal Income Tax purposes under the Internal Revenue Code.

1. Upon a change from Option A to Option B, the Face Amount shall decrease by an amount equal to the Accumulated Value of the policy just prior to the Effective Date of the change. However, the change may be made only if after such change the Face Amount would not be below the Minimum Face Amount shown in the Data Section.
2. Upon a change from Option B to Option A, the Face Amount shall increase by an amount equal to the Accumulated Value just prior to the Effective Date of the change. No additional Surrender Charges will be imposed solely because of this change.

At the Insured's attained age 100, if this policy is still in force, the Face Amount of this policy will be set equal to the Accumulated Value, and the Death Benefit Option will automatically revert to Option A. The Death Benefit Option may not thereafter be changed.

## DEATH BENEFIT

We will pay the Death Benefit to the Beneficiary when we receive at our Administrative Office due proof that the Insured died while this policy was in force. We will pay the Death Benefit in one lump sum unless a Payment Option is chosen. If the Death Benefit is not paid within 30 days after we receive at our Administrative Office due proof that the Insured died while this policy was in force, the rate of interest shall be 8% per year.

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## SUICIDE LIMITATION

If the Insured dies within two years from the Date of Issue as the result of suicide, while sane or insane, we will pay only a sum equal to:

1. the premiums paid; less
2. any debt to us on this policy; less
3. any withdrawals made.

Payment will be made to the beneficiary.

A similar two year period shall apply to any increase in Face Amount for which an application is required. Such period shall begin on the Effective Date of any such increase. During such period, if the Insured dies as the result of suicide, while sane or insane, we will pay, in lieu of any such increase in Face Amount, only a sum equal to the Cost of Insurance that we have deducted from the Accumulated Value for such increase.

## POLICY OWNERSHIP

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### GENERAL OWNERSHIP TERMS

The Owner may:

1. exercise the rights under this policy; and
2. assign the policy; and
3. release or discharge the policy; and
4. change the policy if we agree to such a change; and
5. enjoy the benefits under this policy.

These actions may be taken without the consent and against the interest of any Beneficiary and any contingent owner. If the Owner cannot change the Beneficiary, these actions may be taken only by the Owner and the Beneficiary jointly. These actions may be taken only while the Insured is alive.

### ASSIGNMENTS

We are not responsible for the validity or effect of any assignment of this policy. We will not recognize the assignment until it has been filed at our Administrative Office. The interest of any Beneficiary whom the assignor can change and of any contingent owner shall be transferred to the assignee by the terms of any assignment. If the assignee acquires a right to proceeds, they shall be paid in one sum even though a Payment Option may be in effect at the time the assignment was signed.

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# BENEFICIARY

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## GENERAL BENEFICIARY TERMS

The Owner has the right to change the Beneficiary. If the Owner expressly waives this right, no change can be made. Unless later changed, the Beneficiary shall be as stated in the application. The interest of any Beneficiary who dies before the Insured shall vest in the Owner unless otherwise stated.

If used, the term "children" of any person shall include only lawful children born to or legally adopted by that person.

We may rely on an affidavit by any person who in our judgment knows the facts to identify any Beneficiary or payee not specified by name. All of our liability shall cease when we pay on the basis of such an affidavit.

Unless otherwise specified in the application or on an attached amendment, payment will be shared equally by all Primary Beneficiaries who survive the Insured; if none, by all Contingent Beneficiaries who survive; if none, payment shall be made to the Owner or to the Owner's estate.

## TRUST BENEFICIARY

Unless an authorized officer or registrar of the Company explicitly agrees in writing, the following provision shall apply when a trust is named as Beneficiary.

In no event is the Company responsible for the application or disposition of any proceeds it pays to a Trust Beneficiary. Payment to a Trust Beneficiary is a full discharge of the liability of the Company. If a designated trust provides for successor trustees, the designation in this policy includes successor trustees. Likewise, if the trust allows amendments, the trust, if so amended, remains as a designated beneficiary.

A Trust Beneficiary is considered to be a Beneficiary who did not survive the Insured if:

1. the trust has been terminated; or
2. the specified testamentary trust does not qualify as such; or
3. for any other reason a Trust Beneficiary is not entitled to any proceeds.

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## CHANGE OF BENEFICIARY

If the Owner has the right, a new Beneficiary may be named from time to time during the life of the Insured by filing at our Administrative Office written notice in such form as we may require. When notice is received at our Administrative Office, the change shall take effect on the date the notice is signed while the Insured is still living, whether or not the Insured is living at the time of receipt. We will not be liable for any payment we make before receipt of the written notice at our Administrative Office.

## POLICY VALUES

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### ACCUMULATED VALUE

The Accumulated Value on the Date of Issue is equal to the net premium paid less the Monthly Deduction for the first policy month.

On any Monthly Policy Date after the first Monthly Policy Date, the Accumulated Value shall be equal to:

1. the Accumulated Value on the last Monthly Policy Date; plus
2. one month's interest on the Accumulated Value on the last Monthly Policy Date; plus
3. the amount of all net premiums received since the last Monthly Policy Date; plus
4. interest on net premiums received since the last Monthly Policy Date from the date of receipt to the Monthly Policy Date; less
5. any withdrawals on the Monthly Policy Date; less
6. the Monthly Deduction for the month next following the Monthly Policy Date.

On any other day the Accumulated Value shall be equal to:

1. the Accumulated Value on the last Monthly Policy Date; plus
2. interest on the Accumulated Value on the last Monthly Policy Date from the last Monthly Policy Date to such day; plus
3. the amount of all net premiums received since last prior Monthly Policy Date; plus
4. interest on net premiums received since the last Monthly Policy Date from the date of receipt to the Monthly Policy Date.

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If this policy is reinstated, the Accumulated Value on the date of Reinstatement shall be:

1. the Accumulated Value on the date the Grace Period began; less
2. two times the Monthly Deduction due on the date the Grace Period began; plus
3. the net premium paid to reinstate the policy.

INTEREST RATES  
CREDITED TO THE  
ACCUMULATED  
VALUE

The rate of interest credited on any portion of the Accumulated Value shall never be less than the Guaranteed Interest Rate shown in the Basis of Values section. We may credit interest at a higher rate depending on our current declared interest rate and the duration of the policy.

MONTHLY  
DEDUCTION

A Monthly Deduction shall be the Cost of Insurance, plus any administrative charges shown in the Data Section, plus the monthly cost of any additional benefit riders in force on this policy.

COST OF  
INSURANCE

The Cost of Insurance rate on any day shall be based on the size and duration of this policy, the Insured's sex and then Attained Age, the rate class of the Face Amount on the Date of Issue, and the rate class of each increase in Face Amount.

On any Monthly Policy Date, the Cost of Insurance shall be:

1. the Cost of Insurance rate on such date multiplied by
2. the Net Amount at Risk on such Monthly Policy Date, divided by 1,000.

Net Amount at Risk on any Monthly Policy Date shall be the excess of :

1. the Death Benefit plus any debt to us on such date divided by 1.0032738; over
2. the Accumulated Value of this policy on such date.

We may change the Cost of Insurance rates from time to time. Any change in the Cost of Insurance rates shall apply to all policies of the same size and duration, insuring persons of the same sex, Attained Age, and rate class as the Insured. The Cost of Insurance rates shall not be greater than the rates set forth in the Table of Guaranteed Maximum Cost of Insurance Rates shown in the Data Section.

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The rate class of the Insured at the time of an increase in Face Amount for which an application is required may differ from the rate class on the Date of Issue. For determining the Cost of Insurance, if the Accumulated Value is part of the Face Amount (Option A):

1. the Accumulated Value is first considered part of the Face Amount on the Date of Issue; and
2. then, if the Accumulated Value is more than the Face Amount on the Date of Issue, the excess is considered part of the increases in Face Amount in the order of occurrence of such increases.

#### CASH SURRENDER

The Owner may, by written request to us, surrender this policy while the Insured is living for its Cash Surrender Value. We may require that the policy be returned to us. We may defer payment of any Cash Surrender Value for not more than six months. If we defer such payment for more than 30 days, we will pay interest at a rate not less than the Guaranteed Interest Rate shown in the Basis of Values section, from the date we receive such request and the policy, if required, to the date of payment. When this policy has been surrendered, it shall be null and void and all rights shall cease.

The Cash Surrender Value on any day shall be equal to:

1. the Accumulated Value on such day; less
2. any debt to us in this policy; less
3. any Surrender Charge which applies on such day.

The Surrender Charges are shown in the Data Section. Additional Surrender Charges shall apply to any increases in Face Amount except those resulting solely from a Death Benefit Option change. We will send to the Owner notice of the amounts and durations of Surrender Charges that apply to any such increases.

# WITHDRAWALS

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## WITHDRAWALS

After the first Policy Anniversary and prior to the Final Premium Acceptance Date, the Owner may make withdrawals by written request to us. Withdrawals shall be subject to all of the following terms.

1. Withdrawals may be made only on a Monthly Policy Date which follows receipt of such request.
2. We will charge a Withdrawal Fee of \$25 for each withdrawal made. The amount withdrawn plus the Withdrawal Fee may not exceed the Cash Surrender Value on the Monthly Policy Date less three times the Monthly Deduction on such Monthly Policy Date.

If Death Benefit Option A is in effect on the date of withdrawal:

1. the Accumulated Value shall be decreased by the amount withdrawn plus the Withdrawal Fee; and
2. if the Face Amount divided by the Death Benefit Factor at the Insured's Attained Age on the date of withdrawal exceeds the Accumulated Value of the policy just after the withdrawal, the Face Amount shall also be decreased. The decrease in Face Amount shall equal the lesser of such excess or the amount of the Withdrawal plus the Withdrawal Fee.

The decrease in Face Amount resulting from a Withdrawal shall apply in the following order:

1. first, to any increases in Face Amount in the reverse order in which they were made;
2. second, to the Face Amount on the Date of Issue.

If Death Benefit Option B is in effect on the date of the withdrawal:

1. the Accumulated Value shall be decreased by the amount withdrawn plus the Withdrawal Fee; and
2. there shall be no decrease in Face Amount.

We may defer payment of any Withdrawal for not more than six months. If we defer such payment for more than 30 days, we will pay interest from the date we receive such request to the date of payment at a rate not less than the Guaranteed Interest Rate shown in the Basis of Value section.

# POLICY LOANS

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## POLICY LOANS

We will loan an amount up to the Loan Value of the policy less the amount of any outstanding loan, at any time. At the time of the loan the policy must be in force. The policy shall be the sole security for the loan and must be duly assigned to us.

## LOAN VALUE

The Loan Value on any day is equal to:

1. the Accumulated Value on such day; less
2. the Surrender Charge on such day; less
3. three times the Monthly Deduction for the next Monthly Policy Date.

The Loan Value must fully secure all debt to us on this policy.

Any loan shall bear interest from the date the loan is made.

## PREFERRED LOANS

The Owner is eligible for Preferred Loans any time after the fifth Policy Anniversary, under the following conditions:

1. the policy has a positive Loan Value; and
2. the Owner provides satisfactory evidence of the purchase or refinancing of a primary residence by the Owner within six months of request for the Preferred Loan. Such evidence may include, but is not limited to, a copy of the Owner's Closing Statement. Determination of whether the evidence is sufficient will be at our sole discretion.

Only one Preferred Loan may be taken each year. Preferred Loans are charged interest at the Guaranteed Interest Rate as shown in the Basis of Values section. The portion of the Accumulated Value that equals the Preferred policy Loan and Preferred Policy Loan accrued interest will be credited interest at the Guaranteed Interest Rate, as shown in the Basis of Values section.

## STANDARD LOANS

A Standard Loan is any loan not meeting the requirements for a Preferred Loan. The Standard Loan Interest Rate may change from Policy Year to Policy Year.

The Standard Loan Interest Rate on the Date of Issue of the policy is stated in the Data Section. Such rate shall apply to any debt to us on this policy until the rate is changed by us. We may change the Standard Loan Interest Rate only on a policy anniversary, after which the changed rate will apply to any new or existing Standard Loan debt to us on the policy. The Standard Loan Interest Rate we set shall not exceed the Maximum Rate allowed. The Maximum Rate allowed is the greater of:

1. the Published Monthly Average for the calendar month ending two months before the calendar month in which the policy anniversary occurs; and
2. the yearly Guaranteed Interest Rate shown in the Basis of Value section plus 1%.

The Published Monthly Average shall be the Moody's Corporate Bond Yield Average - Monthly Average Corporates, as published by Moody's Investors Service, Inc., or any successor to it. If at any time the Published Monthly Average is no longer published, a substantially similar average, established under the law of the state where this policy was delivered, shall be used.

If on any policy anniversary the Maximum Rate then allowed is at least 1/2% per year less than the Standard Loan Interest Rate in effect for this policy during the prior Policy Year, we will decrease the Standard Loan Interest Rate for this policy. It will be decreased to a rate equal to or less than the Maximum Rate then allowed. If on any policy anniversary the Maximum Rate then allowed is at least 1/2% per year more than the Standard Loan Interest Rate in effect on this policy during the prior Policy Year, we may increase such Standard Loan Interest Rate. If increased, it shall be increased to a rate not greater than the Maximum Rate then allowed.

We will give the Owner:

1. notice of the Standard Loan Interest Rate in effect for this policy at the time a loan is made; and
2. at least 30 days advance notice of any increase in the Standard Loan Interest Rate, if there is any Standard Loan debt outstanding to us on this policy.

In no event shall the Standard Loan Interest Rate exceed the highest loan interest rate allowed by the law of the state in which this policy is delivered.

The portion of the Accumulated Value that equals the Standard Loan and Standard Loan accrued interest will be credited interest at the Guaranteed Interest Rate, as shown in the Basis of Values section.

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## GENERAL LOAN TERMS

After the loan is made, loan interest shall be due on the next and all following Policy Anniversaries. If any interest is not paid when due, it shall be added to the loan and bear interest on the same terms.

The debt secured by this policy includes loans, unpaid loan interest, and accrued loan interest not otherwise due.

All or part of the debt may be paid to us at any time prior to:

1. the death of the Insured; or
2. surrender of the policy.

However, during a Grace Period the debt may not be repaid. Unless the Owner specifies, any payment to us shall be deemed a premium payment and not payment of the debt. At the death of the Insured or upon the surrender of the policy, all debt shall become due at once. It shall be paid from the policy values.

We may also delay payment of any amounts which are payable as a result of a Policy Loan for up to six months with the consent of the Commissioner after we receive written request in a form satisfactory to us.

## REPORTS

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### ANNUAL STATEMENT

At least once each Policy Year we will send to the Owner a statement.

The statement will show, as of its date:

1. the Accumulated Value; and
2. the Cash Surrender Value; and
3. any debt to us on this policy; and
4. the Death Benefit.

The statement will also show a summary of transactions of the previous year and any information required by law.

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## PROJECTION REPORT

The Owner may request in writing a report which projects future values and future Death Benefits for this policy. The report will also show any information required by law. We may charge a fee for the report. The Projection Report will be based on:

1. data the Owner gives us as to Face Amount and premiums; and
2. such assumptions as either the Owner or we specify.

## PAYMENT OPTIONS

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In lieu of a lump sum settlement, all or part of the proceeds of this policy may be applied under a Payment Option. When proceeds are applied under a Payment Option, all other rights and benefits under this policy shall cease.

In addition to the following options, other payment options may be available.

### OPTION EFFECTIVE DATE

The Option Effective Date is the date the proceeds become payable.

### GENERAL PAYMENT OPTION TERMS

If the proceeds to be placed under a Payment Option are less than \$5,000, we may pay them in one sum to the payee who otherwise would receive the first payment under the option. If any payments would be less than \$100, we will change the frequency to provide payments of at least \$100.

If the proceeds are assigned on the Option Effective Date, we will pay the assignee's share in one sum and place only the balance under the option. After the Option Effective Date neither the payments nor the remaining value may be assigned or encumbered. To the extent the law permits, they are not subject to any claims against the payee.

We may require proof to our satisfaction that any payee is alive on the date any payment is due.

CHOICE OF  
OPTION

Choice of an option may be made:

1. by the Owner if the Insured is living; or
2. by the Beneficiary if the Insured is not living and if no option is in effect.

Equivalent payments for 12-, 6-, 3-, or 1-month intervals may be chosen. The options are described in terms of monthly payments. We will quote the amount of other payments on request.

We may issue a document stating the terms of the option.

CHANGE OF  
PAYMENT OPTION

The right to change Payment Options exists under Options 1, 2, and 4. At the time of change the remaining value under the old option shall become the proceeds to be placed under the new option.

LUMP SUM  
REMOVAL OF  
PROCEEDS APPLIED  
UNDER A PAYMENT  
OPTION

Lump sum payments may be taken from the remaining proceeds placed under Payment Options 1, 2, and 4.

Under Options 1 and 4 all or any part of the remaining value may be taken at any time, though no more than four transactions may be made during any calendar year.

Under Option 2 the entire remaining value may be taken at any time.

No lump sum removal of proceeds may be made under Options 3, 5, 6, or 7.

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OPTION 1  
-PAYMENT OF  
INTEREST ONLY

Interest at a rate of 1.50% per year shall be paid either for:

1. the life of a chosen human being; or
2. a chosen period.

We may pay more interest in any given year. Upon the earlier of the death of the chosen human being or the end of the chosen period, any remaining value will be paid. The first payment shall be made one month after the Option Effective Date. If the payee is not a human being, payments may not continue for more than 30 years.

OPTION 2  
-PAYMENTS FOR A  
STATED TIME

Equal monthly payments shall be made for a stated number of years. The first payment shall be made on the Option Effective Date. The amount of each monthly payment is shown in the table. The monthly payments are based on an interest rate of 1.50% per year. We may pay more interest in any year.

Option 2 Table  
 Monthly Payments for Each \$1,000 of Proceeds

Stated Number of Years	Monthly Payments
5	17.28
6	14.51
7	12.53
8	11.04
9	9.89
10	8.96
11	8.21
12	7.58
13	7.05
14	6.59
15	6.20
16	5.85
17	5.55
18	5.27
19	5.03
20	4.81
21	4.62
22	4.44
23	4.28
24	4.13
25	3.99
26	3.86
27	3.75
28	3.64
29	3.54
30	3.44

OPTION 3  
 -PAYMENTS FOR  
 LIFE

Equal monthly payments shall be made for any guaranteed period chosen and thereafter during the life of a chosen human being. The first payment shall be made on the Option Effective Date. The amount of each monthly payment depends on the age and sex of the chosen human being on the Option Effective Date and on any guaranteed period chosen. We may require proof to our satisfaction of such age. We may require like proof that such human being is alive on the date any payment is due. The guaranteed period may be five or ten years or a Refund period. A Refund period extends until the sum of the payments is equal to the proceeds placed under the option. The monthly payments are based on an interest rate of 1.50% per year. We may pay more interest in any year during the guaranteed period. We will quote the amount of monthly payments for lower ages and guaranteed periods not shown in the Option 3 Table on request.

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Option 3 Table  
Monthly Payments for Each \$1,000 of Proceeds

(Amounts shown are for the age nearest birthday on the Option Effective Date)

Guaranteed Period

Age	Male			Female		
	None	10 Years	Refund	None	10 Years	Refund
50	\$3.24	\$3.22	\$3.02	\$3.00	\$2.99	\$2.86
51	3.31	3.29	3.08	3.06	3.05	2.91
52	3.39	3.36	3.13	3.13	3.11	2.96
53	3.47	3.44	3.19	3.19	3.18	3.02
54	3.55	3.51	3.25	3.26	3.25	3.07
55	3.63	3.60	3.31	3.34	3.32	3.13
56	3.73	3.68	3.38	3.41	3.39	3.19
57	3.82	3.77	3.45	3.50	3.47	3.26
58	3.92	3.87	3.52	3.58	3.56	3.32
59	4.03	3.97	3.60	3.68	3.64	3.39
60	4.15	4.07	3.67	3.78	3.74	3.46
61	4.27	4.19	3.76	3.88	3.83	3.54
62	4.40	4.30	3.84	3.99	3.94	3.62
63	4.54	4.42	3.93	4.11	4.05	3.70
64	4.69	4.55	4.02	4.23	4.16	3.79
65	4.85	4.69	4.12	4.37	4.28	3.88
66	5.02	4.83	4.23	4.51	4.41	3.98
67	5.20	4.98	4.33	4.66	4.55	4.08
68	5.39	5.13	4.45	4.83	4.69	4.19
69	5.60	5.29	4.57	5.00	4.84	4.30
70	5.82	5.45	4.70	5.19	5.00	4.43
71	6.05	5.62	4.82	5.39	5.17	4.55
72	6.30	5.79	4.96	5.61	5.34	4.68
73	6.57	5.96	5.11	5.85	5.52	4.82
74	6.85	6.14	5.25	6.11	5.71	4.98
75	7.15	6.32	5.41	6.39	5.91	5.13
76	7.47	6.51	5.59	6.69	6.11	5.30
77	7.82	6.69	5.75	7.01	6.31	5.47
78	8.19	6.87	5.93	7.36	6.52	5.66
79	8.59	7.05	6.14	7.74	6.73	5.85
80	9.01	7.22	6.34	8.16	6.93	6.04
81	9.47	7.39	6.55	8.60	7.13	6.29
82	9.95	7.56	6.77	9.09	7.33	6.50
83	10.47	7.71	7.00	9.61	7.52	6.76
84	11.02	7.86	7.25	10.18	7.69	7.00
85+	11.61	8.00	7.52	10.79	7.86	7.26

+ Higher ages the same

*Life Insurance Company of the Southwest*  
*Administrative Office: One National Life Drive \* Montpelier, Vermont 05604 \* (800) 732-8939*  
*Home Office: 1300 West Mockingbird Lane \* Dallas, Texas 75247*

OPTION 4  
-PAYMENTS OF A  
STATED AMOUNT

Equal monthly payments of a stated amount shall be made until the proceeds, with interest at 1.50% per year on the unpaid balance, are used up. The first payment shall be made on the Option Effective Date. The amount chosen must be at least \$10 per month for each \$1,000 of proceeds placed under this option. We may add more interest to the unpaid balance in any year, which will extend the number of payments. The last payment will be for the balance only.

OPTION 5 - LIFE  
ANNUITY

Equal monthly payments shall be made in the same manner as Option 3 except:

1. the amount of each payment shall be based on our current settlement rates on the Option Effective Date; and
2. no additional interest shall be paid.

OPTION 6 - JOINT  
AND TWO-THIRDS  
ANNUITY

Equal monthly payments shall be made while two chosen human beings are both living. Upon the death of either, two-thirds of the amount of such payments shall continue during the life of the survivor. The first payment shall be made on the Option Effective Date. The amount of each monthly payment depends on the ages and sexes of the chosen human beings on the Option Effective Date. We may require proof to our satisfaction of their ages. We may require like proof that any chosen human being is alive on the date any payment conditioned on the life of such human being is due. The initial amount of each monthly payment is shown in the table. We will quote the amount of monthly payments for any other age combination on request. The monthly payments are based on an interest rate of 1.50% per year. No additional interest shall be paid.

*Life Insurance Company of the Southwest*

*Administrative Office: One National Life Drive \* Montpelier, Vermont 05604 \* (800) 732-8939*

*Home Office: 1300 West Mockingbird Lane \* Dallas, Texas 75247*

Option 6 Table  
Monthly Payments for Each \$1,000 of Proceeds

(Amounts shown are for the age nearest birthday on the Option Effective Date)

Ages of Both	One Male and One Female	Ages of Both	One Male and One Female
50	\$2.97	68	\$4.72
51	3.03	69	4.89
52	3.09	70	5.06
53	3.16	71	5.25
54	3.22	72	5.46
55	3.29	73	5.68
56	3.37	74	5.91
57	3.45	75	6.16
58	3.53	76	6.43
59	3.62	77	6.72
60	3.72	78	7.04
61	3.82	79	7.37
62	3.92	80	7.74
63	4.04	81	8.12
64	4.16	82	8.54
65	4.28	83	8.99
66	4.42	84	9.48
67	4.57	85+	9.99

+ Higher ages the same

OPTION 7 - 50%  
SURVIVOR  
ANNUITY

Equal monthly payments shall be made during the life of the chosen primary human being. Upon the death of the chosen primary human being, 50% of the amount of such payments shall continue during the life of the chosen secondary human being. The first payment shall be made on the Option Effective Date. The amount of each monthly payment depends on the ages and sexes of the chosen human beings on the Option Effective Date. We may require proof to our satisfaction of their ages. We may require like proof that any chosen human being is alive on the date any payment conditioned on the life of such human being is due. The initial amount of each monthly payment is shown in the table. We will quote the amount of monthly payments for any other age combination on request. The monthly payments are based on an interest rate of 1.50% per year. No additional interest shall be paid.

*Life Insurance Company of the Southwest*  
*Administrative Office: One National Life Drive \* Montpelier, Vermont 05604 \* (800) 732-8939*  
*Home Office: 1300 West Mockingbird Lane \* Dallas, Texas 75247*

Option 7 Table  
 Monthly Payments for Each \$1,000 of Proceeds

(Amounts shown are for the age nearest birthday on the Option Effective Date)

Ages of Both	Male Primary Female Secondary	Female Primary Male Secondary	Ages of Both	Male Primary Female Secondary	Female Primary Male Secondary
50	\$2.96	\$2.85	68	\$4.67	\$4.44
51	3.01	2.90	69	4.83	4.60
52	3.07	2.96	70	5.00	4.76
53	3.14	3.02	71	5.19	4.93
54	3.20	3.08	72	5.38	5.12
55	3.27	3.15	73	5.59	5.32
56	3.35	3.22	74	5.82	5.53
57	3.43	3.29	75	6.06	5.77
58	3.51	3.37	76	6.31	6.01
59	3.60	3.45	77	6.59	6.28
60	3.69	3.53	78	6.88	6.57
61	3.79	3.62	79	7.20	6.89
62	3.89	3.72	80	7.54	7.22
63	4.00	3.82	81	7.90	7.59
64	4.12	3.93	82	8.29	7.98
65	4.24	4.05	83	8.71	8.40
66	4.38	4.17	84	9.16	8.86
67	4.52	4.30	85+	9.64	9.34

+ Higher ages the same

Indexed Flexible Premium Adjustable Benefit Life Insurance. Flexible premiums are payable through the end of the Premium Payment Period or until the prior death of the Insured. The adjustable Death Benefit is payable upon the death of the Insured. This policy is nonparticipating.

LIFE INSURANCE COMPANY OF THE SOUTHWEST

ADMINISTRATIVE OFFICE: ONE NATIONAL LIFE DRIVE, MONTPELIER, VERMONT 05604  
HOME OFFICE: 1300 WEST MOCKINGBIRD LANE, DALLAS, TEXAS, 75247

*SERFF Tracking Number:* NALF-125765896      *State:* Arkansas  
*Filing Company:* Life Insurance Company of the Southwest      *State Tracking Number:* 40019  
*Company Tracking Number:* 8640AR(0708)  
*TOI:* L09I Individual Life - Flexible Premium      *Sub-TOI:* L09I.001 Single Life  
Adjustable Life  
*Product Name:* Foundation UL  
*Project Name/Number:* Foundation UL/8640AR(0708)

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: NALF-125765896 State: Arkansas  
Filing Company: Life Insurance Company of the Southwest State Tracking Number: 40019  
Company Tracking Number: 8640AR(0708)  
TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.001 Single Life  
Adjustable Life  
Product Name: Foundation UL  
Project Name/Number: Foundation UL/8640AR(0708)

## Supporting Document Schedules

**Review Status:** 08/07/2008

**Satisfied -Name:** Certification/Notice  
**Comments:**  
**Attachments:**  
AR Consent to Submit Rates and.pdf  
AR Reg34 Cert.pdf  
Arkansas Readability.pdf  
Arkansas Certification.pdf

**Review Status:** 08/07/2008

**Satisfied -Name:** Application  
**Comments:**  
Previously approved application 8121AR(0707) approved on September 24, 2007.  
**Attachment:**  
8121AR.pdf

**Review Status:** 08/12/2008

**Satisfied -Name:** Third Party Authorization  
**Comments:**  
**Attachment:**  
Auth.Letters.pdf

**Review Status:** 08/12/2008

**Satisfied -Name:** Responsible Officer Certification  
**Comments:**  
**Attachment:**  
Responsible Officer Cert.pdf

**Review Status:** 08/12/2008

**Satisfied -Name:** John Doe Illustration  
**Comments:**



SERFF Tracking Number: NALF-125765896 State: Arkansas  
Filing Company: Life Insurance Company of the Southwest State Tracking Number: 40019  
Company Tracking Number: 8640AR(0708)  
TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.001 Single Life  
Adjustable Life  
Product Name: Foundation UL  
Project Name/Number: Foundation UL/8640AR(0708)

**Review Status:**

**Satisfied -Name:** Cover Letter 08/20/2008  
**Comments:**  
**Attachment:**  
AR Letter.pdf

**Review Status:**

**Satisfied -Name:** Actuary Illustration 08/20/2008  
**Comments:**  
**Attachment:**  
Actuary Illustration.pdf

**Review Status:**

**Satisfied -Name:** John Doe Annual Statement 08/20/2008  
**Comments:**  
**Attachment:**  
John Doe Annual Statement.pdf

**Review Status:**

**Satisfied -Name:** Statement of Variability 08/20/2008  
**Comments:**  
**Attachment:**  
StmtVarLSW-Foundation.pdf

## Consent to Submit Rates and/or Cost Bases for Approval

The **Life Insurance Company of the Southwest** does hereby consent and agree:

- A. that all premium rates and/or cost bases both “maximum” and “current or projected” used in relation to policy form number 8640AR(0708), must be filed with the Insurance Commissioner of the State of Arkansas (“Commissioner”) at least sixty (60) days prior to their proposed effective date. Such rates and/or cost bases shall be deemed effective sixty (60) days after they are filed with the Commissioner, unless the Commissioner shall approve or disapprove such rates and/or cost bases prior to the expiration of sixty (60) days.

or

- B. that where the policy is a flexible or indeterminate premium whole life policy which provides for frequent changes in interest rates based on financial market conditions, the Company may file a range of rates it will stay within and will notify the Department at least sixty (60) days prior to any change in the range of rates. The Company must also document the method used to calculate its premium and range of rates.

**Life Insurance Company of the Southwest**



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Bennett E. Law, FSA, MAAA  
Designated Representative

August 19, 2008

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Date

**CERTIFICATION**  
**STATE OF ARKANSAS**

**Re:** 8640AR(0708), Flexible Premium Adjustable Benefit Life Insurance.

I, Bennett E. Law, certify for Life Insurance Company of the Southwest that the forms referenced above are in compliance with Regulation 34 published by the Arkansas Insurance Department.

**Life Insurance Company of the Southwest**



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Bennett E. Law  
Designated Representative

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August 19, 2008  
Date

## Arkansas Certification

This is to certify that the attached Form Number **8640AR(0708)** has achieved a Flesch Reading Score of 55.2 and complies in all respects with the requirements of Arkansas Statute Annotated Section 66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language Simplification Act.

### Life Insurance Company of the Southwest



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Bennett E. Law  
Designated Representative

August 19, 2008  
Date

## Arkansas Certification

**Re:**               **8640AR(0708)**, Flexible Premium Adjustable Benefit Life Insurance

I, Bennett E. Law, certify for Life Insurance Company of the Southwest, headquartered in Montpelier, Vermont, that the forms referenced above meet the provisions of Regulation 19§10B, as well as all applicable requirements of the Arkansas Insurance Department.

I further certify that the forms referenced above are in compliance with Regulation 49 concerning Life & Health Guaranty Association Notices and Arkansas Insurance Code 23-79-138 concerning required policy information.

Signed on behalf of Life Insurance Company of the Southwest, by



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Bennett E. Law  
Designated Representative

August 19, 2008

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Date

**Part 1 - Proposed Primary Insured (PPI) and Plan Information - Please PRINT**

1. Name		2. Home Address <i>(street, city, state and zip)</i>		
3. Place of Birth	4. Date of Birth	5. Issue at Age	6. Sex <input type="checkbox"/> M <input type="checkbox"/> F	7. Soc. Sec. #
8. a. Country in which you hold citizenship _____ b. If you are not a citizen of the United States, do you have a permanent resident status in the U.S.? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes", Alien Registration Number: _____ If "No", type of visa held: _____				
9. Telephone #'s and best time to call Home ( ) Work ( )		10. Occupation <i>(w/specific duties)</i>		11. Driver's License # and state
12. Employer and time employed		13. Annual Income \$		14. Plan Name
15. a. Death Benefit Option <i>(IUL/UL only)</i> <input type="checkbox"/> A - Level <input type="checkbox"/> B - Increasing b. Definition of Life Insurance Test <i>(Applies to IUL/UL only. GPT must be selected if policy is not a MEC.)</i> <input type="checkbox"/> Guideline Premium Test (GPT) <input type="checkbox"/> Cash Value Accumulation Test (CVAT)				
16. Face Amount \$		20. Riders and Amounts		
17. Premium Information a. Premium Mode _____ b. Planned Periodic Premium \$ _____ c. Cash with Application \$ _____		<input type="checkbox"/> Accelerated Benefits (ABR) <i>(Complete ABR Disclosure form)</i> <input type="checkbox"/> Unemployment (UR) <i>(N/A for Adv79)</i> <input type="checkbox"/> Waiver of Premium (WP) <input type="checkbox"/> Waiver of Specified Premium (WSP) <i>(Harbor, Horizon, Adv79)</i> <i>(Annual Premium Waived)</i> \$ _____		
18. Primary Beneficiary, Relationship, Address, Date of Birth, and S.S.#		<input type="checkbox"/> Guaranteed Insurability (GIR) \$ _____ <input type="checkbox"/> Accidental Death Benefit (ADB) \$ _____ <input type="checkbox"/> Long Term Care (LTC) <i>(Complete 8099 LTC kit)</i> <input type="checkbox"/> Extension of Benefits (EB) <input type="checkbox"/> w/Inflation Protection (IP) <i>(Complete 8099 LTC kit)</i> <input type="checkbox"/> Disability Income (DIR) <input type="checkbox"/> 2 Year <input type="checkbox"/> 5 Year \$ _____ <input type="checkbox"/> Children's Term (CTR) \$ _____ <input type="checkbox"/> No-Lapse Guarantee (NLG) <i>(Horizon only)</i> <i>(OIR, APB &amp; BSB N/A if NLG elected)</i> <input type="checkbox"/> Other Insured <i>(Complete 8122)</i> <input type="checkbox"/> Additional Protection Benefit (APB) <i>(Paragon, Horizon, Adv79)</i> \$ _____ <input type="checkbox"/> Balance Sheet Benefit (BSB) <i>(Paragon &amp; Horizon only)</i> <i>(Percent Waived)</i> _____ % <input type="checkbox"/> Other _____ \$ _____		
19. Applicant/Owner, Relationship, Address, Date of Birth, and S.S.# <i>(if other than PPI)</i>				
21. List any life or disability insurance you currently have <i>(include face &amp; ADB amounts, company name &amp; year of issue)</i> . If none, check this box: <input type="checkbox"/>				
22. Do you have any employer sponsored short or long-term disability insurance? <i>(If "Yes", provide details in Remarks)</i> <input type="checkbox"/> Yes <input type="checkbox"/> No				

**Part 2 - Replacement Information** *(If "Yes", Replacement forms must be provided; list company name and policy numbers)*

1. Has there been or will there be a lapse, surrender, replacement, reissue, conversion, or change to reduce amount, premium, or period of coverage of any existing life, disability or annuity contract if the applied for policy or rider is issued?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Will there be any substantial borrowing on any life insurance policy if the applied for policy or rider is issued? <i>(List Company Name(s) and Policy Number(s) in Remarks)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part 3 - General Information for Proposed Primary Insured** *(If "Yes", provide details in Remarks)*

1. Have you used any type of product containing tobacco or nicotine within the last 24 months? _____ Product Type: _____ Frequency: _____ Date Last Used: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Are you actively at work full time (30 hours per week) and able to perform all your regular duties? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Have you ever applied for life, health, or disability insurance or reinstatement of same, which was declined, postponed, rated or modified in any way? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Are you or do you have any intention of becoming a member of a military organization? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Have you had any moving vehicle violations in the last 3 years, or a suspended license or DUI in the last 5 years? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Have you ever been convicted of a felony or misdemeanor? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Have there been any non-discharged bankruptcy proceedings against you within the last 7 years? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. Within the past 6 months have you applied for or do you have any applications pending for life or disability insurance? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
9. Have you received or applied for disability or worker's compensation from any source? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
10. Within the last 3 years, have you participated in or do you intend to participate in any motor powered racing, scuba, skin or sky diving, rodeos, hang gliding or any other avocation generally considered hazardous? <i>(If "Yes", complete form 8003)</i> _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
11. Do you participate in any aviation activity other than as a fare paying passenger? <i>(If "Yes", complete form 8003)</i> _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
12. Do you intend to travel or reside outside of the USA for more than 2 weeks in a year? <i>(If "Yes", complete form 8003)</i> _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
13. Have you been offered any cash incentive or other consideration (such as free insurance) as an inducement to apply for or become an insured under this life insurance policy, or have you been involved in any discussions about the possible sale or transfer of this policy to an unrelated third party, such as (but not limited to) a life settlement company or investor group? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
14. Identify the source of funds for premium payment (e.g., redemption of financial product, income or savings, home equity, loan, payment by third party). _____	

**Application for Life Insurance - Continued**

**Part 4 - Children's Term Rider Information** (Complete only if CTR is requested)

1. Names and Dates of Birth of all Children to be covered

2. To the best of your knowledge: (If 'Yes', give details in Remarks)

a. Is any Child's health impaired in any way?  Yes  No

b. Has any Child shown any signs of abnormal physical or mental development?  Yes  No

c. Does any Child not reside with you?  Yes  No

d. Does any Child take medication prescribed by a doctor?  Yes  No

**Part 5 - Health History of the Proposed Primary Insured** (Provide details, dates, and results for any 'Yes' answer to questions 1-10 in Remarks.)

1. Name, Address and Phone No. of Personal Physician (If none, so state) | Date last seen | Reason consulted & outcome

2. Height | Weight | Change in last year?  Yes  No | Details:

3. Are you taking any medication? (If 'Yes', list type, dose and frequency in the Remarks section.)  Yes  No

4. In the last 10 years have you been diagnosed, treated, taken medication for, or know of having any indication of any:

a. Heart Murmur, Rheumatic Fever or Anemia  Yes  No

b. Chest Pain, Heart Disease/Disorder or Heart Surgery  Yes  No

c. Emphysema, Asthma or Lung Disease  Yes  No

d. Ulcer, Jaundice, Hepatitis or Chronic Indigestion  Yes  No

e. Eyes, Ears, Nose, or Throat Disorder  Yes  No

f. Diseases of the Central Nervous System or Headaches  Yes  No

g. Spine, Bones, Muscles, Joints, Skin or Thyroid Disorder  Yes  No

h. Stroke, Dizzy Spells, Epilepsy, Convulsions, Paralysis or Unconsciousness  Yes  No

i. Veins, Blood or other Circulatory System Disorder  Yes  No

j. Protein, Sugar, or Blood in the Urine  Yes  No

k. Alzheimer's or Dementia  Yes  No

l. Kidney Stone, Kidney or Bladder Disorder  Yes  No

m. Depression, Anxiety, or other Psychological Condition  Yes  No

n. Gout, Arthritis, or Back Pain  Yes  No

o. Diabetes or High Blood Sugar  Yes  No  
Is it controlled by medication or diet?  Yes  No

p. Cancer, Polyp, or Other Tumor  Yes  No

q. Esophagus, Stomach, Intestinal, Liver or Gall Bladder Disorder  Yes  No

r. Prostate, Pelvic Organs, or Breast Disease  Yes  No

s. Alcohol or Drug Abuse  Yes  No

t. High Blood Pressure or High Cholesterol  Yes  No

5. Within the past 10 years have you tested positive for exposure to the Human Immunodeficiency Virus (HIV), or has a physician or other medical professional diagnosed you as having Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or AIDS related conditions?  Yes  No

6. In the past 10 years have you used narcotic drugs, amphetamines, cocaine, marijuana or drugs not prescribed by a doctor?  Yes  No

7. Within the past 5 years have you:

a. had x-rays, electrocardiograms, heart catheterization or other diagnostic tests?  Yes  No

b. been admitted to a hospital or been advised or plan to enter a hospital for observation, operation or treatment of any kind?  Yes  No

c. consulted any medical professional other than your personal physician?  Yes  No

8. Do you have any pending appointments with any medical professional within the next 30 days?  Yes  No

9. Do you have any family history of diabetes, cancer, heart disease, Huntington's Disease or polycystic kidney disease?  Yes  No

10. Family History | Age if alive | State of Health | Age at death | Cause of death

Father | \_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_

Mother | \_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_

Siblings | \_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_

**Part 6 - Bank Authorization** (Complete for Check-O-Matic or automatic bank draft & include voided check or deposit slip)

I authorize LSW to draft monthly payments from my account.  Checking  Savings  Money Market

Draft on the  1st  8th  15th  22nd day each month **or**  Draft on the first available date after policy issue.

**Part 7 - Sales Illustration Certification** (Applies to Universal Life & Non-Guaranteed Term)

**(The box below MUST be checked if a signed illustration of the policy applied for is NOT enclosed with this application.)**

The Applicant/Owner and the Licensed Agent certify that they have each read and agree with their respective statements below regarding the policy applied for:

**Applicant's/Owner's statement:** By signing this application, I, the Applicant/Owner acknowledge that I have NOT received an illustration of the policy applied for and understand that an illustration of the policy as issued will be provided no later than the policy delivery date.

**Licensed Agent's statement:** By signing this application, I, the Licensed Agent certify that I have NOT presented an illustration of the policy applied for or discussed any non-guaranteed elements of the policy with the Applicant/Owner. Upon or prior to delivery, I will provide an illustration and explain any non-guaranteed elements of the policy.



**Application for Life Insurance - Continued**

**Conditional Receipt** (to be given to applicant upon premium payment to agent) (Not to be used for Qualified Pension or Profit Sharing Trust).

NOTE: All premium checks should be made payable to LSW. Do not make a check payable to the agent or leave the payee blank.

This receipt should not be issued (and will be deemed void) and premium should not be paid if Parts 1, 2, 3 and 5 of the application are not completely answered. No agent or medical examiner may waive a complete answer to any question in the application.

\$ \_\_\_\_\_ has been received from \_\_\_\_\_ as payment for the life insurance applied for on this date, subject to the following.

Coverage under this policy receipt, not to exceed the face amount(s) applied for or \$300,000, whichever is less, will take effect as described below.

Coverage under this receipt will begin on the LATER of: **a)** the date the application is signed, **b)** the date the first full modal premium has been paid, **c)** the date the last medical requirement requested by LSW is completed, or **d)** the effective date, if any, requested on the application.

Prior to delivery of the policy, coverage will be effective if:

1. the first full modal premium has been paid, and the check or draft is honored when presented for payment, and
2. LSW receives all medical examinations, tests and records within 60 days from the date of the application, and
3. LSW determines that each Proposed Insured is acceptable to it, under applicable underwriting standards, for the plan, benefits, amount and rate class applied for, and
4. there is no material misrepresentation in the application or in any medical information furnished to LSW.

**Termination of Coverage.** Coverage under this receipt will end on the FIRST of: **a)** insurance beginning under the policy applied for, **b)** LSW declines the application or offers the applicant a policy other than the one applied for, **c)** 60 days from the date coverage under this receipt begins, or **d)** LSW notifies the applicant in writing that coverage is ended. If LSW terminates coverage under this receipt or declines the application, or if the applicant refuses a policy issued other than as applied for, LSW will refund the full amount paid under this receipt. If a Proposed Insured dies by suicide, LSW's liability under this receipt is limited to a full refund of the premium paid. (Suicide clause not applicable to Missouri.)

Licensed Agent's Signature: \_\_\_\_\_ Licensed Agent's Name: (Print) \_\_\_\_\_

Signed at: (City & State) \_\_\_\_\_ on this day of: (mm/dd/yyyy) \_\_\_\_\_

Detach

**Important Notices** (to be given to the Applicant and Proposed Insured(s))

**Insurance Information Practices:** We must collect certain amounts of necessary and helpful personal information in order to properly underwrite and administer your insurance coverage. The amount and type of information collected may vary depending on the amount and type of insurance for which you have applied. Our information practices provide that:

1. Personal information may be collected from sources other than yourself;
2. Such information as well as other personal or privileged information subsequently collected by us or our agent, may, in certain circumstances be disclosed to third parties without your authorization; and
3. You have a right of access and correction with respect to all personal information collected.

If you would like to obtain a more detailed explanation of our information practices, including your rights of access to and correction of personal information, please contact our Administrative Office (1 National Life Drive, Montpelier, VT 05604).

**Investigative Consumer Report Notice:** In compliance with the Fair Credit Reporting Act (FCRA), this is to notify you that as part of our underwriting process an investigative consumer report may be obtained through personal interviews with neighbors, friends, associates or others concerning your character, general reputation, personal characteristics and mode of living. You have the right to be personally interviewed if we order an investigative consumer report. Please notify us if this is your wish. You may contact our Administrative Office for additional information regarding the nature and scope of this inquiry and a summary of your rights under FCRA. On written request, we will inform you whether a report was requested and provide additional information. LSW may telephone you directly to obtain the information described above. An interviewer in the Administrative Office may ask you to review and clarify information provided on the application or may ask additional questions. Whenever possible, calls will be made at your convenience and to the telephone number you provided.

**Medical Information Bureau Notice:** Information regarding your insurability will be treated as confidential. LSW or its reinsurers may, however, make a brief report thereon to the Medical Information Bureau (MIB, Inc.), a non-profit membership organization of life insurance companies which operates an information exchange on behalf of its members. If you apply to another insurance company, the Bureau, on request, will supply such company with the information in its file. On receipt of a request from you, the Bureau will arrange disclosure of any information it may have in your file. (Medical information will be released only to your attending physician.) If you question the accuracy of information in the Bureau's file, you may contact the Bureau and make a correction in accordance with procedures set forth in the Fair Credit Reporting Act. The address of the Bureau's information office is P.O. Box 105, Essex Station, Boston, MA 02112; telephone number (617) 426-3660.

LSW may release information in its files to other life insurance companies to whom you may apply for life or health insurance, or to whom a claim for benefits may be submitted.

*Wade H. Mayo  
President and CEO*

February 25, 2008

To Whom It May Concern:

This letter is to authorize **Michelle D. Goodwin**, Policy Forms Analyst, of National Life Insurance Company, Montpelier, Vermont, as a **Designated Representative** of Life Insurance Company of the Southwest to submit product filings on their behalf.

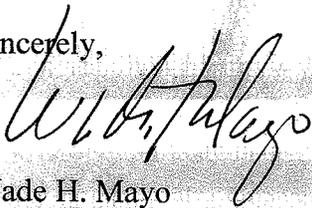
All questions and comments regarding this filing should first be addressed to Mrs. Goodwin. I stand ready, however, to answer for Life Insurance Company of the Southwest directly should that need arise.

Mrs. Goodwin may be contacted at:

National Life Insurance Company  
One National Life Drive  
Montpelier, Vermont 05604  
Phone: 802-229-7441  
Fax: 802-229-3743

Life Insurance Company of the Southwest thanks you for your consideration in this matter.

Sincerely,



Wade H. Mayo

**LSW**

*Wade H. Mayo  
President and CEO*

March 10, 2008

To Whom It May Concern:

This letter is to authorize **Douglas Brown**, 2<sup>nd</sup> Vice President of National Life Insurance Company, Montpelier, Vermont, as a **Designated Representative** of Life Insurance Company of the Southwest to submit product filings on their behalf.

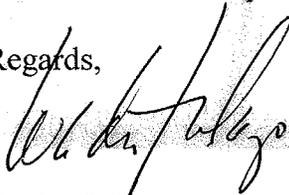
All questions and comments regarding this filing should first be addressed to Mr. Brown. I stand ready, however, to answer for Life Insurance Company of the Southwest directly should that need arise.

Mr. Brown may be contacted at:

National Life Insurance Company  
One National Life Drive  
Montpelier, Vermont 05604  
Phone: 802-229-3491

Life Insurance Company of the Southwest thanks you for your consideration in this matter.

Regards,



Wade H. Mayo

February 25, 2008

To Whom It May Concern:

This letter is to authorize **Bennett E. Law**, Vice President – Policy Forms & General Services, of National Life Insurance Company, Montpelier, Vermont, as a **Designated Representative** of Life Insurance Company of the Southwest to submit product filings on their behalf.

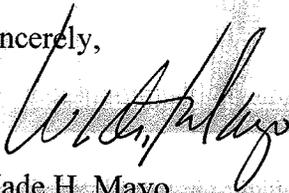
All questions and comments regarding this filing should first be addressed to Mr. Law. I stand ready, however, to answer for Life Insurance Company of the Southwest directly should that need arise.

Mr. Law may be contacted at:

National Life Insurance Company  
One National Life Drive  
Montpelier, Vermont 05604  
Phone: 802-229-3675  
Fax: 802-229-3743

Life Insurance Company of the Southwest thanks you for your consideration in this matter.

Sincerely,



Wade H. Mayo

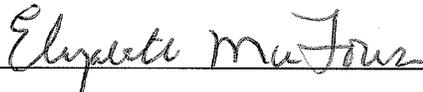
**Life Insurance Company of the Southwest**

**Responsible Officer Certification  
To Accompany Policy Form Submissions**

**Regarding:**      8640(0708),      Flexible Premium Adjustable Benefit Life Insurance.

I, Elizabeth MacGowan, am the Vice President of Product Development at National Life Insurance Company (of which the Life Insurance Company of the Southwest is a subsidiary). I am an officer of the Company.

1. Life Insurance Company of the Southwest will provide its agents with disclosure information about the expense allocation method used in the product illustrations for the policy forms referenced above.
2. The scales used in insurer authorized illustrations are those scales certified by the illustration actuary.
3. Policies applied for in this state have illustrations that meet the format requirements of the illustration regulation.



Date 8/11/08

Elizabeth MacGowan  
Responsible Officer for Life Insurance Company of the Southwest

Responsible Officer Certification for Submission

A Life Insurance Illustration  
LSW Foundation UL - Universal Life - Policy Form Series 8640  
Statement of Policy Cost and Benefit Information  
Prepared for  
The Client

Presented by National Life

Age 35  
Verified Standard NT  
Male  
State - VT

Benefit	Amount
LSW Foundation UL	100,000 Option A (Level)

See Summary of Additional Benefits for information on any riders.

Agent address:  
One National Life Drive  
Montpelier, Vermont 05604  
(802) 229-0000

LSW Foundation UL is a flexible premium, interest sensitive adjustable death benefit individual life insurance policy, commonly referred to as Universal Life.

This illustration assumes that the currently illustrated non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur and actual results may be more or less favorable than those shown.

Accelerated Benefits Rider 1 [Form 8052(0798)] allows for the payment of a portion of an insured's death benefit if the insured is terminally ill. Terminally ill means that the insured has been certified by a physician as having an illness or chronic condition which can reasonably be expected to result in death in 12 months or less. There is no premium for this rider. However, the actual payment will be less than the portion of the death benefit accelerated because the benefits are paid prior to death.

Accelerated Benefits Rider 2 [Form 8095(0399)] allows for the payment of a portion of an insured's death benefit if the insured is chronically ill. Chronically ill means that the insured has been certified by a licensed health care practitioner as being unable to perform 2 out of 6 activities of daily living or is cognitively impaired. The activities of daily living are bathing, continence, dressing, eating, toileting, and transferring. There is no premium for this rider. However, the actual payment will be less than the portion of the death benefit accelerated because the benefits are paid prior to death.

Accelerated Benefits Rider 3 [Form 8165(0703)] allows for the payment of a portion of the insured's death benefit if the insured experiences a qualifying event covered under the rider. Subject to state approval, the qualifying events may include: heart attack, stroke, diagnosis of cancer, diagnosis of end stage renal failure, major organ transplant, diagnosis of ALS, and blindness. Please see the rider for a complete list of the qualifying events covered. There is no premium for this rider. However, the actual payment will be less than the portion of the death benefit accelerated because benefits are paid prior to death.

Definitions of key terms and column headings:

Age - The insured's age as of last birthday.

Policy Year - The year of the policy for which information is being illustrated.

Planned Premium - The annual premium that is required under the illustrated policy.

Guaranteed Accumulated Value End Year - The guaranteed equity at the end of the policy year.

Guaranteed Cash Surrender Value End Year - The guaranteed equity at the end of the policy year less any outstanding policy loans, loan interest, and applicable surrender charges.

A Life Insurance Illustration  
LSW Foundation UL - Universal Life - Policy Form Series 8640  
Statement of Policy Cost and Benefit Information  
Prepared for  
The Client

Presented by National Life

Age 35  
Verified Standard NT  
Male  
State - VT

Benefit	Amount
LSW Foundation UL	100,000 Option A (Level)

See Summary of Additional Benefits for information on any riders.

**Guaranteed Death Benefit End Year** - The guaranteed death benefit at the end of the policy year less any policy loans, loan interest and applicable surrender charges.

**Current Accumulated Value End Year\*** - The policy equity at the end of the policy year based on the current interest rates and policy charges. Current interest rates and policy charges are not guaranteed.

**Current Cash Surrender Value End Year\*** - The policy equity at the end of the policy year based on the current interest rates and policy charges, after deductions for any applicable surrender charges and any outstanding policy loans and loan interest. Current interest rates and policy charges are not guaranteed.

**Current Death Benefit End Year\*** - The entire policy death benefit at the end of the policy year based on the current interest rates and policy charges, after deductions for any applicable surrender charges and any outstanding policy loans and loan interest. Current interest rates and policy charges are not guaranteed.

**Total Level Guideline Premium** - The sum of the guideline level premiums calculated for the current policy year and each prior year. It is a level premium calculated at issue based on policy guarantees and an interest rate not less than 4% as specified in IRC section 7702.

**Total Single Guideline Premium** - The sum of the guideline single premium calculated for the current policy year and each prior year. It is calculated at issue based on policy guarantees and an interest rate not less than 6% as specified in IRC section 7702.

**Total Maximum Guideline Premium** - The larger of the numbers in the total guideline level and the total guideline single premium columns. For a policy to qualify as life insurance, the sum of all premiums paid in the current and prior policy years cannot exceed the amount shown in this column for the current year. This must be true in every policy year.

**Total Premium** - The MEC total premium for any policy year is the sum of the premiums paid into the policy in the current policy year and prior policy years that are used to determine the MEC status of the policy.

**MEC Total 7 Pay Premium** - The MEC total 7 pay premium for any policy year is the sum of the annual payments calculated under IRC Section 7702A (the seven pay premium) for this and all prior policy years that determine whether or not the contract is a modified endowment contract (MEC). Upon the first occurrence of a number in the MEC total premium column exceeding the number for the same policy year in this column, the policy will become a MEC. Distributions other than death proceeds from a MEC, including policy loans and partial Surrenders of funds will be treated as taxable gain received first and recovery of premium second. In addition to regular income tax, a 10% federal tax penalty is applicable to any taxable distribution from the MEC before the insured reaches age 59 ½. This includes policy terminations.

**Guaranteed Annual Cash Flow** - The annual (cost) of the policy or the annual amount of proceeds received from the policy before income taxes are included, based on guaranteed values.

A Life Insurance Illustration  
LSW Foundation UL - Universal Life - Policy Form Series 8640  
Statement of Policy Cost and Benefit Information  
Prepared for  
The Client

Presented by National Life

Age 35  
Verified Standard NT  
Male  
State - VT

Benefit	Amount
LSW Foundation UL	100,000 Option A (Level)

See Summary of Additional Benefits for information on any riders.

Current Annual Cash Flow\* - The annual (cost) of the policy or the annual amount of proceeds received from the policy before income taxes are included, based on the current interest rate and charges.

Averaged Annual Cash Flow\* - The annual (cost) of the policy or the annual amount of proceeds received from the policy before income taxes are included, based on the assumption credited interest rate and other charges are an average of current and guaranteed rates.

Averaged Cash Surrender Value End Year\* - The entire policy equity at the end of the year after deductions for any outstanding policy loans and loan interest. Values in this column are based on the assumption credited interest rate and other charges are an average of current and guaranteed rates.

Averaged Net Death Benefit End Year\* - The entire policy death benefit at the end of the year after deductions for any outstanding policy loans and loan interest. Values in this column are based on the assumption credited interest rate and other charges are an average of current and guaranteed rates.

\* Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable.

Annual Planned Payments of \$223.92 have been assumed to be received at the beginning of each billing period.

All values shown are end of policy year values.

Policy loans are available if a policy has a positive cash surrender value. The loan interest rate charged on policy loans is variable and is subject to change by the Company as described in the policy. The loan interest rate used to illustrate any policy loans in this proposal is 6.2% annually in arrears. After policy year 5, preferred policy loans are available upon submission of satisfactory evidence of the purchase or refinancing of a home. The loan rate that will be charged on any approved preferred loan will be 4.00% annually in arrears. Policy loans earn interest at a guaranteed annual rate of 4.00%.

A surrender charge is assessed on full surrender of a policy in the first fifteen policy years from the date of issue or the date of an increase in face amount. The cash surrender values in this proposal reflect applicable surrender charges. Partial withdrawals are available if the policy has positive cash surrender value. The accumulated value of the policy will be reduced by the sum of the partial withdrawal and the withdrawal fee of \$25.

The Guaranteed Basis uses an interest rate and maximum monthly deductions guaranteed by the Company. It is the most conservative basis used for the calculation of illustrated values.

The policy as illustrated on a current basis will provide coverage for 17 years based on the current interest rate credited and the current charges by the Company. Coverage will then terminate unless a higher premium is paid.

The policy as proposed on an average basis will provide coverage for 12 years based on the average interest rate credited and the average charges by the Company. Coverage will then terminate unless a higher premium is paid. The average

A Life Insurance Illustration  
 LSW Foundation UL - Universal Life - Policy Form Series 8640  
 Statement of Policy Cost and Benefit Information  
 Prepared for  
 The Client

Presented by National Life

Age 35  
 Verified Standard NT  
 Male  
 State - VT

Benefit Amount  
 LSW Foundation UL 100,000 Option A (Level)  
 See Summary of Additional Benefits for information on any riders.

interest rate is the average of the guaranteed interest rate and the current illustrated interest rate. The average charges are the average of guaranteed charges and current charges.

The policy as illustrated on a guaranteed basis will provide coverage for 9 years based on the guaranteed interest rate credited and the guaranteed charges by the Company. Coverage will then terminate unless a higher premium is paid.

The maximum level premium that can be paid into this policy based on Section 7702 of the Internal Revenue Code is \$1,146.07.

The following is a statement of costs and benefits for the LSW Foundation UL policy illustrated on the following pages. The Net Payment Index shows your average annual outlay per \$1,000 of Death Benefit. The Surrender Cost Index is the average annual amount of each planned premium that is not returned if the policy is surrendered for its cash value at the end of the year cited.

INTEREST ADJUSTED COST INDEXES AT 5%

CURRENT BASIS

	YEAR 10	YEAR 20
Net Payment	\$2.36	\$2.36
Surrender Cost	\$2.36	\$2.36

GUARANTEED BASIS

	YEAR 10	YEAR 20
Net Payment	\$2.36	\$2.36
Surrender Cost	\$2.36	\$2.36

An explanation of the intended use of the above cost indexes is provided in the Life Insurance Buyer's Guide.

Please Note: The illustrated values that make up this ledger proposal should not be regarded as an offer nor as a contract to insure. If the presentation, of which this ledger is a part results in a policy being issued with different illustrated values than those in this ledger, the actual values illustrated with the policy shall control.

**Tax Treatment:** The Company will report any eligible distributions, under any accelerated benefits rider, subject to existing IRS guidance and facts at the time of distribution. However, proper tax treatment for any accelerated benefits you receive under this insurance contract depends on a number of factors. These factors include, among others, the provisions of the law, the terms of the contract, and your personal situation at the time payments are made. These factors may permit some or all of the payments to be excluded from income or may require some or all the payments to be included in income for tax purposes. You should consult with your own tax advisor in deciding how to report the payments.

A Life Insurance Illustration  
 LSW Foundation UL - Universal Life - Policy Form Series 8640  
 Statement of Policy Cost and Benefit Information  
 Prepared for  
 The Client

Presented by National Life

Age 35  
 Verified Standard NT  
 Male  
 State - VT

Benefit Amount  
 LSW Foundation UL 100,000 Option A (Level)  
 See Summary of Additional Benefits for information on any riders.

Summary of Additional Benefits

Rider	Insured's Issue Age/ Classification	Initial Benefit Amount	Coverage to Age	Guaranteed Monthly Cost in Year 1	Current Monthly Cost In Year 1
Accelerated Benefit Rider 1	NA	NA	NA	None	None
Accelerated Benefit Rider 2	NA	NA	NA	None	None
Accelerated Benefit Rider 3	NA	NA	NA	None	None

NA = not applicable

A Life Insurance Illustration  
 LSW Foundation UL - Universal Life - Policy Form Series 8640  
 Statement of Policy Cost and Benefit Information  
 Prepared for  
 The Client

Presented by National Life

Age 35  
 Verified Standard NT  
 Male  
 State - VT

Benefit Amount  
 LSW Foundation UL 100,000 Option A (Level)  
 See Summary of Additional Benefits for information on any riders.

This illustration of LSW Foundation UL values assumes payments are made in the amounts shown and that the illustrated rates and monthly deductions will continue in the future. The interest rate used in the calculation of current values is 5.00%. The interest rate used in the calculation of guaranteed values is 4.00%.

Policy Year	Planned Premium	Guaranteed Values			*Current Values at 5.00%		
		Guaranteed Accumulated Value End Year	Guaranteed Cash Surrender Value End Year	Guaranteed Death Benefit End Year	Current Accumulated Value End Year*	Current Cash Surrender Value End Year*	Current Death Benefit End Year*
1	\$ 235.92	\$ 42	\$ 0	\$100,000	\$ 43	\$ 0	\$100,000
2	235.92	73	0	100,000	76	0	100,000
3	235.92	106	0	100,000	110	0	100,000
4	235.92	127	0	100,000	135	0	100,000
5	235.92	138	0	100,000	160	0	100,000
6	235.92	136	0	100,000	174	0	100,000
7	235.92	123	0	100,000	189	0	100,000
8	235.92	96	0	100,000	205	0	100,000
9	235.92	44	0	100,000	222	0	100,000
10	235.92	0	0	0	240	0	100,000
	\$2,359.20						
11	235.92	0	0	0	258	0	100,000
12	235.92	0	0	0	277	0	100,000
13	235.92	0	0	0	298	0	100,000
14	235.92	0	0	0	319	107	100,000
15	235.92	0	0	0	342	342	100,000
16	235.92	0	0	0	194	194	100,000
17	235.92	0	0	0	2	2	100,000
18	0.00	0	0	0	0	0	0
19	0.00	0	0	0	0	0	0
20	0.00	0	0	0	0	0	0
	\$4,010.64						

\* Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable.

A Life Insurance Illustration  
 LSW Foundation UL - Universal Life - Policy Form Series 8640  
 Statement of Policy Cost and Benefit Information  
 Prepared for  
 The Client

Presented by National Life

Age 35  
 Verified Standard NT  
 Male  
 State - VT

Benefit Amount  
 LSW Foundation UL 100,000 Option A (Level)  
 See Summary of Additional Benefits for information on any riders.

This illustration of LSW Foundation UL values assumes payments are made in the amounts shown and that the illustrated rates and monthly deductions will continue in the future. The interest rate used in the calculation of current values is 5.00%. The interest rate used in the calculation of guaranteed values is 4.00%.

Policy Year	Planned Premium	Guaranteed Values			*Current Values at 5.00%		
		Guaranteed Accumulated Value End Year	Guaranteed Cash Surrender Value End Year	Guaranteed Death Benefit End Year	Current Accumulated Value End Year*	Current Cash Surrender Value End Year*	Current Death Benefit End Year*
25	\$ 0.00	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
30	0.00 \$4,010.64	0	0	0	0	0	0
35	0.00	0	0	0	0	0	0
40	0.00 \$4,010.64	0	0	0	0	0	0
45	0.00	0	0	0	0	0	0
50	0.00 \$4,010.64	0	0	0	0	0	0
55	0.00	0	0	0	0	0	0
60	0.00 \$4,010.64	0	0	0	0	0	0
65	0.00 \$4,010.64	0	0	0	0	0	0

\* Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable.

A Life Insurance Illustration  
 LSW Foundation UL - Universal Life - Policy Form Series 8640  
 Statement of Policy Cost and Benefit Information  
 Prepared for  
 The Client

Presented by National Life

Age 35  
 Verified Standard NT  
 Male  
 State - VT

Benefit Amount  
 LSW Foundation UL 100,000 Option A (Level)  
 See Summary of Additional Benefits for information on any riders.

Policy Year	Death Benefit End Year	Total Level Guideline Premium	Total Single Guideline Premium	Total Maximum Guideline Premium	Total Premium	MEC Total 7 Pay Premium
1	\$100,000	\$ 1,146	\$12,639	12,639	\$ 235	\$ 3,345
2	100,000	2,292	12,639	12,639	471	6,690
3	100,000	3,438	12,639	12,639	707	10,035
4	100,000	4,584	12,639	12,639	943	13,380
5	100,000	5,730	12,639	12,639	1,179	16,725
6	100,000	6,876	12,639	12,639	1,415	20,070
7	100,000	8,022	12,639	12,639	1,651	23,415
8	100,000	9,168	12,639	12,639	1,887	26,760
9	100,000	10,314	12,639	12,639	2,123	30,105
10	100,000	11,460	12,639	12,639	2,359	33,450
11	100,000	12,606	12,639	12,639	2,595	36,795
12	100,000	13,752	12,639	13,752	2,831	40,140
13	100,000	14,898	12,639	14,898	3,066	43,485
14	100,000	16,044	12,639	16,044	3,302	46,830
15	100,000	17,191	12,639	17,191	3,538	50,175
16	100,000	18,337	12,639	18,337	3,774	53,520
17	100,000	19,483	12,639	19,483	4,010	56,865

THE GUIDELINE PREMIUMS SERVE AS A LIMIT ON THE FUNDING OF THIS CONTRACT TO ENSURE ITS QUALIFICATION AS LIFE INSURANCE UNDER SECTION 7702 OF THE INTERNAL REVENUE CODE.

A Life Insurance Illustration  
 LSW Foundation UL - Universal Life - Policy Form Series 8640  
 Statement of Policy Cost and Benefit Information  
 Prepared for  
 The Client

Presented by National Life

Age 35  
 Verified Standard NT  
 Male  
 State - VT

Benefit Amount  
 LSW Foundation UL 100,000 Option A (Level)  
 See Summary of Additional Benefits for information on any riders.

Policy Year	Guaranteed Annual Cash Flow	Guaranteed End Year Net Cash Value	Guaranteed End Year Net Death Benefit	Current Annual Cash Flow*	Current End Year Net Cash Value*	Current End Year Net Death Benefit*
5	\$ (1,180)	\$0	\$100,000	\$ (1,180)	\$0	\$100,000
10	0	0	0	(2,359)	0	100,000
20	0	0	0	0	0	0
36	0	0	0	0	0	0

Policy Year	Averaged Annual Cash Flow*	Averaged Cash Surrender Value End Year*	Averaged Net Death Benefit End Year*
5	\$(1,180)	\$0	\$100,000
10	(2,359)	0	100,000
20	0	0	0
36	0	0	0

\* Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable.

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The agent has told me they are not guaranteed.

Date \_\_\_\_\_ Applicant \_\_\_\_\_

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

Date \_\_\_\_\_ Agent \_\_\_\_\_



August 20, 2008

Director, Life & Health Division  
Department of Insurance  
1200 West Third Street  
Little Rock, Arkansas 72201-1904

RE: **Flexible Premium Adjustable Benefit Life Insurance Submission**

Life Insurance Company of the Southwest  
NAIC No. 0634-65528  
FEIN No. 75-0953004

Form Numbers: 8640AR(0708), Flexible Premium Adjustable Benefit Life Insurance.

To Whom It May Concern:

Today we are submitting a new Flexible Premium Adjustable Benefit Life Insurance policy for your consideration. This policy is new to our portfolio of products and will not replace any forms currently approved by your Department. This filing has been submitted to the Texas Department of Insurance, representing our state of domicile, and is currently pending there.

The submitted policy will be marketed with an illustration by our licensed agents and will be available to Insureds ages 0-85. Insureds will be assigned to one of the following five rate classes: Preferred Non-tobacco, Verified Standard Non-tobacco, Express Standard Non-tobacco, Preferred Tobacco, and Standard Tobacco. The minimum issue amount is \$25,000. The proposed effective date for the submitted form is November 1, 2008.

The minimum guaranteed interest rate is 4%. Additional interest may be credited to the policy values at a rate declared by the Company at least annually. Age calculations are on an Age Last Birthday basis.

There is a Preferred Loan provision allowing for policy loans that are charged interest at the guaranteed rate of 4%. To qualify, the policy must be in at least its sixth year, have a positive loan value, and the Owner must provide evidence of the purchase of or refinancing of a primary residence within six months before the request. Only one Preferred Loan may be taken each policy year.

A Standard Loan provision is also included in this policy. These loans do not meet the requirements for a Preferred Loan and will be charged with interest at a variable loan rate which is based on Moody's Corporate Bond Yield Average and may change from policy year to policy year.

There is no Maturity provision in this policy. Upon reaching attained age 100, the policy's death benefit is equal to its accumulated value. No further premiums will be accepted at that point.

The policy provides for two Death Benefit Options prior to the date the Insured reaches Attained Age 100. Under Death Benefit Option A, the Death Benefit is equal to the Face Amount of the policy. Under Death Benefit Option B, the Death Benefit is equal to the Face Amount of the policy plus the Accumulated Value on the date of the Insured's death. The Death Benefit will be reduced by any monthly deductions then due and any debt owed to the Company on the policy. If the policy is still in force on the date the Insured reaches Attained Age 100, the Face Amount will be set equal to the Accumulated Value and the Death Benefit Option will automatically revert to Option A.

The submitted policy will be solicited upon form 8121AR(0707), Life Insurance Application, which was approved in your state on September 24, 2007. The Flesch Readability Score for the submitted policy is 55.2.

Also included with this submission are the following materials:

- Actuarial Memorandum in support of the submitted form.
- Illustration Actuary and Responsible Officer Certifications.
- Sample Annual Report and sample NAIC-compliant Illustration.
- Any required Certifications or Checklists.

We would also like to extend the use of a number of other riders and endorsements, previously approved by your Department, for use with the policy submitted today. Those forms, and their approval dates, are presented in the table below:

<b>Rider Form Name</b>	<b>Rider Form Number</b>	<b>Approval Date</b>
Accelerated Benefits Rider	8052(0798)	09/01/1998
Accelerated Benefits Rider 2	8095AR(0399)	04/04/2000
Accelerated Benefits Rider 3	8165(0703)	09/18/2003
Accidental Death Benefit Rider	8050(0798)	09/01/1998
Children's Term Rider	8056(0707)	09/24/2007
Disability Income Rider, 2-Year Maximum Benefit Period	8054(0798)	09/01/1998
Disability Income Rider, 5-Year Maximum Benefit Period	8065(0798)	09/01/1998
Guaranteed Insurability Rider	8051(0798)	09/01/1998
Waiver of Target Premium Rider	8053(0798)	09/01/1998
Unemployment Rider	8058(0798)	09/01/1998
Long Term Care Rider	8096AR(0899)	01/22/2003
Extension of Benefits Rider	8097AR(0899)	01/22/2003
Limitation of Liability Endorsement	8070(0798)	09/01/1998
Exclusion Endorsement	8071(0798)	09/01/1998
Other Insured Rider	8057(0707)	09/24/2007
Aircraft Limitation Rider	8516(0707)	09/24/2007
Aircraft Limitation Rider – Military	8517(0707)	09/24/2007
Foreign Travel Exclusion Endorsement	9935AZ(0305)	10/03/2005

We appreciate your consideration of this submission. If you have any questions regarding this submission, I may be reached by telephone (collect) at 802/229-7441, by E-mail at MGoodwin@NationalLife.com, or by Fax at 802/229-3743.

Sincerely,

*Michelle Goodwin*

Michelle Goodwin  
Policy Forms Analyst

**Life Insurance Company of the Southwest**

**Illustration Actuary Certification  
To Accompany Policy Form Submissions**

**Regarding: 8640(0708), Flexible Premium Adjustable Benefit Life Insurance.**

I, Craig A. Smith, am a Vice President and Chief Actuary of the National Life Insurance Company (of which the Life Insurance Company of the Southwest is a subsidiary) and am a member of the American Academy of Actuaries in good standing. I was appointed on August 2, 2004 by the Board of Directors of the Life Insurance Company of the Southwest to be the illustration actuary for this plan of insurance for all states. I meet the Academy requirements for making this certification and the requirements of applicable state regulations.

The scale used in illustrating non-guaranteed elements for the plan of insurance written on the policy form described above meets the illustration regulation requirements of this state. The disciplined current scale for this plan is in conformity with that regulation and with the Actuarial Standard of Practice for Compliance with the NAIC Life Insurance Model Regulation (ASOP 24) promulgated by the Actuarial Standards Board.

Non-guaranteed elements illustrated for new policies are consistent with those illustrated for similar in force policies. Illustrated non-guaranteed elements for new and in force policies subject to this regulation are consistent with the non-guaranteed elements amounts actually credited or charged to the same or similar forms.

The expenses used in the calculation of the disciplined current scale for all policy forms subject to the illustration regulation were fully allocated.

In making this certification, I have reviewed expense allocations, actuarial assumptions and actuarial methods, and such tests of actuarial calculations as I considered necessary.



Date August 20, 2008

Craig A. Smith, FSA, MAAA  
Appointed Illustration Actuary for Life Insurance Company of the Southwest



Report Period: 08/15/2008 to 08/15/2009  
Policy Number: LS0005962  
Insured: Kenneth N Menne

### Loan Information

#### STANDARD LOAN:

Beginning Loan Balance:	\$0.00
New Loans Taken:	\$0.00
Loan Repayments:	\$0.00
Accrued Loan Interest:	\$0.00
Ending Loan Balance:	\$0.00

#### Standard Loan Interest Rate:

This Statement Period:	6.20%
Next Statement Period:	5.40%

### Forecast Information

The following one-year projection of values is mandated by state insurance regulation. The assumptions used in the projection comply with state requirements and are shown below. The projection demonstrates results under one possible set of assumptions and is **not** a prediction of future policy values.

#### Assumptions used in forecast

• Minimum Guaranteed Interest of 4%	Projection Date:	August 15, 2010
• Guaranteed Maximum Charges	Projected Death Benefit:	\$100,000.00
• Payment of Planned Periodic Premiums	Projected Accumulated Value:	\$3,259.99
• No loan principal repayments	Projected Cash Surrender Value:	\$379.99
• Loan Interest paid in cash when due		

**IMPORTANT POLICY OWNER NOTICE:** You should consider requesting more detailed information about your policy to understand how it may perform in the future. You should not consider replacement of your policy or make changes in your coverage without requesting a current illustration. You may annually request, without charge, such an illustration by contacting the Life Administrative Office or your agent. If you do not receive a current illustration of your policy within 30 days from your request, you should contact your state insurance department.

Report Period: 08/15/2008 to 08/15/2009  
 Policy Number: LS0005962  
 Insured: Kenneth N Menne

**Transaction Summary**

Policy Month	Ending	Net Premium	Withdrawals	Cost of Insurance Charge	Monthly Admin Charges	Rider Charges	Interest Credited	Ending Accumulated Value
09/15/2008	\$211.83	\$0.00	\$131.95	\$18.45	\$28.00	\$80.64	\$2,828.58	
10/15/2008	\$211.83	\$0.00	\$93.01	\$12.30	\$28.00	\$35.92	\$2,871.18	
11/15/2008	\$211.83	\$0.00	\$92.95	\$12.30	\$28.00	\$35.39	\$2,914.37	
12/15/2008	\$211.83	\$0.00	\$54.20	\$6.15	\$28.00	\$897.87	\$3,935.72	
01/15/2009	\$211.83	\$0.00	\$131.47	\$18.45	\$28.00	\$969.47	\$3,000.16	
02/15/2009	\$211.83	\$0.00	\$92.73	\$12.30	\$28.00	\$34.98	\$3,043.98	
03/15/2009	\$211.83	\$0.00	\$92.65	\$12.30	\$28.00	\$35.25	\$3,087.61	
04/15/2009	\$92.50	\$0.00	\$92.58	\$12.30	\$28.00	\$34.82	\$3,012.41	
05/15/2009	\$185.00	\$0.00	\$92.50	\$12.30	\$0.00	\$44.94	\$3,047.67	
06/15/2009	\$92.50	\$0.00	\$38.37	\$6.15	\$0.00	\$0.00	\$0.00 <sup>2</sup>	
07/15/2009	\$92.50	\$0.00	\$38.32	\$6.15	\$0.00	\$0.00	\$0.00	
08/15/2009	\$92.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
<b>Total</b>	<b>\$2,037.81</b>	<b>\$0.00</b>	<b>\$950.73</b>	<b>\$129.15</b>	<b>\$224.00</b>	<b>\$373.54</b>	<b>\$2,875.79<sup>1</sup></b>	

<sup>1</sup> This value reflects an adjustment from last year's original annual statement.

<sup>2</sup> Policy value zero due to pending lapse.

Report Period: 08/15/2008 to 08/15/2009  
 Policy Number: LS0005962  
 Insured: Kenneth N Menne

**Premium Payments Received**

Date Received	Payment Amount	Percent of Premium Expense Charge
08/15/2008	\$129.00	\$9.67
09/15/2008	\$129.00	\$9.67
10/15/2008	\$129.00	\$9.67
11/15/2008	\$129.00	\$9.67
12/15/2008	\$129.00	\$9.67
01/15/2009	\$129.00	\$9.67
02/15/2009	\$129.00	\$9.67
03/15/2009	\$100.00	\$7.50
04/15/2009	\$100.00	\$7.50
05/15/2009	\$100.00	\$7.50
06/15/2009	\$100.00	\$7.50
07/15/2009	\$100.00	\$7.50
08/08/2009	\$100.00	\$7.50

**Interest Crediting Rates**

The rate at which interest is credited to unloaned Accumulated Value is declared each calendar month. This rate is never less than the 4.00% guaranteed in the policy. The rates for this statement period were as follows:

Effective Dates	Rate
08/01/2004 to 09/01/2005	5.25%
09/01/2005 to 11/01/2005	5.00%

The interest crediting rate on the loaned portion of the Accumulated Value is 4.00%.

The effective annual interest rate credited to your accumulated value during this statement period was lower than the rate effective at the end of the prior statement period. This decline in the credited rate was caused by a reduction in interest rates on the assets backing your benefits. This will result in lower values than were shown in the original illustration.

Report Period: 08/15/2008 to 08/15/2009  
Policy Number: LS0005962  
Insured: Kenneth N Menne

### Glossary Of Terms

<b>Beginning Accumulated Value:</b>	The Accumulated Value at the end of the previous statement period.
<b>Net Premium:</b>	Total of premiums paid less Percent of Premium Expense Charge.
<b>Withdrawals:</b>	The amount of surrender value that was withdrawn from the policy at your request, including any withdrawal charges assessed.
<b>Monthly Deductions:</b>	Total of all Cost of Insurance Charges, Monthly Administrative Charges, and any rider charges.
<b>Interest Credited:</b>	The amount of interest credited to the Accumulated Value for the month shown. This amount includes interest credited on both loaned and unloaned portions of the policy.
<b>Ending Accumulated Value:</b>	The Accumulated Value at the end of the month shown. It is equal to the preceding month's Ending Accumulated Value, plus Net Premiums and Interest Credited minus Withdrawals and Monthly Deductions.
<b>Loan Interest Rate:</b>	The interest rate charged on loans.
<b>Beginning Loan Balance:</b>	Loan balance at the start of the statement period. This is equal to the prior statement's Ending Loan Balance.
<b>New Loans Taken:</b>	New loans taken at your request during the statement period.
<b>Loan Repayments:</b>	Loan repayments, including loan interest payments, made during the statement period.
<b>Accrued Loan Interest:</b>	Interest on the loan balance that has accrued during the statement period.
<b>Ending Loan Balance:</b>	Loan balance at the end of the statement period. This is equal to the Beginning Loan Balance, plus New Loans Taken, minus Loan Repayments, plus interest on the loan.



### For Service Contact:

Thomas V Damiano  
1500 Skokie Blvd Ste 200  
Northbrook IL 60062-4113  
847 559-9488

### Policy Information Available on the Web

Customers can access policy information from the National Life Group website at [www.nationallife.com](http://www.nationallife.com).

By registering at the website, you can log in for secure policy information, including: Policy Values, Coverage and Features, Daily Unit Values, Loan Balances, Change of Address, and Electronic Document Distribution.

If you need assistance or have questions, please contact Customer Services directly through the web.

**Statement of Variability**  
**8640(0708)**

The policy Cover and Data Pages within the submitted policy contain brackets, used to designate variable items that may be unique for each policyholder or issue of the submitted policy. Descriptions of the bracketed items follow:

**POLICY NUMBER:** This 7-digit number is the unique policy number by which we distinguish each policy issued on this form. This number appears on the Cover and on the Data Pages.

**DATE OF ISSUE:** This is the date the policy is issued. This date will remain the same even when there are changes made to the policy, such as a face amount increase or decrease.

**INSURED:** This is the Insured's name, and will be unique to each Insured. This appears on the Cover and within the Data Pages.

**ISSUE AGE:** This is the issue age of the named Insured and appears on the Cover and within the Data Pages. The issue ages for this policy are 0 – 85.

**SEX:** This may take the variable of MALE or FEMALE.

**RATE CLASS:** This may take the variables of "STANDARD (VERIFIED)", "STANDARD (EXPRESS)", "PREFERRED", "STANDARD (PREFERRED TOBACCO)", or "STANDARD TOBACCO".

**FACE AMOUNT:** This amount will be unique to the policy based on each individual situation and appears on the Cover and within the Data Pages. Minimum Face Amount is \$25,000 per policy for individual issues.

**DEATH BENEFIT OPTION:** This can take the variables of "A (LEVEL)" or "B (INCREASING)".

**MONTHLY POLICY DATE:** This can take the variables of the "1<sup>st</sup>" through the "31<sup>st</sup>".

**OWNER:** This is the Owner's name, and will be unique to each Owner. This appears on the Cover and within the Data Pages. The statement "As stated in the application unless later changed" may appear to identify the owner, unless or until a revised Data Page is prepared to specify a new owner. In these circumstances, the name of the new owner will be stated, such name being unique to each owner.

**BENEFICIARY:** The statement "As stated in the application unless later changed" will appear to identify the beneficiary, unless or until a revised Data Page is prepared to specify a new beneficiary. In these circumstances, the name of the new beneficiary will be stated, such name being unique to each beneficiary.

**MINIMUM MONTHLY PREMIUM:** This is the lowest premium that will be accepted on this policy. The conditions for change of the minimum monthly premium would be based upon the Face Amount of the policy, the age and rate classification of the Insured.

**PLANNED PERIODIC PREMIUM:** This is the premium that the applicant has asked be billed. It's value is unique to the interests of each applicant.

**PREMIUM INTERVAL:** This denotes the number of premiums payable each year, as requested by the applicant in establishing his or her planned periodic premium and premium interval and can take the variables of "AT ISSUE", "ANNUALLY", "SEMI-ANNUALLY", "QUARTERLY", "MONTHLY" or "CHECK-O-MATIC".

**ANNUAL TARGET PREMIUM:** This is the lesser of the Planned Annual Premium and the Commissionable Target Premium calculated on an annual basis.

**FINAL PREMIUM ACCEPTANCE DATE:** This date varies with values of the Effective Date and the Attained Age of 100 of the Insured.

**CHAIRMAN OF THE BOARD, PRESIDENT, AND SECRETARY:** These are subject to variability only upon a change of officer status.

**STANDARD LOAN INTEREST RATE:** This percentage varies from 3.00% to the Published Monthly Average of the Moody's Corporate Bond Yield Average – Monthly Average Corporates for the calendar month ending two months before the calendar month in which the Policy Anniversary occurs.

**EFFECTIVE DATE:** This provides the Effective Date of the policy, both on the Policy Cover and within the Data Pages. This date will be the same as the Date of Issue on the Cover of the Data Section on the initial date of issue. If a face amount increase or decrease is made, the Effective Date will change to the date of the increase or decrease, but the initial Date of Issue on the Data Section Cover will remain unchanged.

**MORTALITY TABLE:** COMMISSIONERS 2001 CSO ULTIMATE, AGE LAST BIRTHDAY. The variables that can be added to this are: "MALE NON-SMOKER", "MALE SMOKER", "FEMALE NON-SMOKER", and "FEMALE SMOKER".

**THE INSURED HAS BEEN CLASSIFIED:** This may take the variables of "STANDARD (VERIFIED)", "STANDARD (EXPRESS)", "PREFERRED", "STANDARD (PREFERRED TOBACCO)", or "STANDARD TOBACCO".

**TABLE OF GUARANTEED MAXIMUM COST OF INSURANCE RATES:** Range of variables for Male is 0.06 – 31.36. Range of variables for Female is 0.04 – 23.77.

**SURRENDER CHARGES:** Range of variables per \$1,000 would be \$12.97 for Male age 0 to \$37.00 for Male age 85. Range of variables per \$1,000 would be \$12.50 for Female age 0 to \$36.00 for Female age 85. The variables are fixed at issue. The variables are based on face amount, issue age, sex, and the rate class of the Insured.